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Frustration Rules At Security Talks

European Group Can't Cope With Resurgent Nationalism

By Craig R. Whitney
New York Times Service

ROME — With 9 of 52 member states involved in shooting wars and a 10th, the former Yugoslavia, suspended for starting one, foreign ministers of the Conference on Security and Cooperation in Europe on Wednesday debated ways of ending existing conflicts and defusing new ones.

Much of the talk seemed an exercise in futility.

Unable or unwilling to stop wars from Bosnia-Herzegovina to Nagorno-Karabakh, members of Europe's largest regional security organization acknowledged that so far they had not found effective ways of dealing with the resurgent nationalism that swept in after the collapse of communism in Eastern Europe and the demise of the Soviet Union.

The group, which includes the United States and Canada as well as Russia, worked by often unwieldy consensus during the Cold War. On Wednesday, the members agreed on ways to make it easier to send early warning and conflict-prevention missions even into member countries that did not want them.

But as diplomats here acknowledged, the security conference would remain unable to impose peace on parties determined to block it.

"The international community is still quite helpless as far as the causes of conflicts are concerned," said Foreign Minister Klaus Kinkel of Germany. "There is preventive diplomacy, but in practice we often see too little of it, too late."

Some of the wrangling Wednesday was caused by the refusal of the United States to endorse a European Community peace plan for Bosnia that included an offer of progressive relaxation of international economic sanctions on Serbia if peace comes, according to diplomats.

A year ago, the security conference sent a total of 20 soldiers and diplomats to Serbia and its ethnically Albanian province, Kosovo. But it had to withdraw them in July because Serbian authorities would not let them stay.

"There is a clear need for an international presence to counter the proliferation of human and minority-rights abuses and to forestall further and potentially dramatic regional destabilization," said the organization's secretary-general, Wilhelm Hoyneck. But without Serbian consent, he said, the conference had no way of sending one to Kosovo or other areas of Serbia.

The conference does maintain a 1,000-strong observer mission in the former Yugoslav province of Macedonia and helps to monitor the sanctions on Serbia.

Romania Spy Agency: Old-Style Service, With a Smile

By Jane Perlez
New York Times Service

BUCHAREST — It was not unlike a scene from a spy novel: The head of a reshaped intelligence service in a country known for the criminality of its old one agreed to an interview. A new, more pleasant headquarters, demitasse of coffee served before he entered, a friendly invitation to sit beside him on the sofa, an offer of exclusive documents.

Virgil Magureanu, former professor at the academy that trained Romania's Communist thinkers and for nearly four years head of the Romanian Intelligence Service, was trying hard to meet democratic standards.

In October, Romania was granted normal trade relations by the U.S. Congress and admitted to the Council of Europe. Part of the rationale for giving Romania the benefit of the doubt about its movement toward democracy was a seeming improvement in the secret service.

But as the director of the agency, which officially assumed the counterintelligence, anti-terrorist, and "defense of the constitution" roles of the former secret police, known as the Securitate, Mr. Magureanu seemed to have a somewhat non-Western view of his mission.

He was asked about a sweeping law for the protection of state and "job" secrets that was approved by the Romanian Senate recently. Many Romanians saw the new law as a step backward. The law defines things like "scientific, technological, or economic activities" as secret.

"In democracies, the press protects such information by not releasing it or by notifying the interested parties about the source of the information," Mr. Magureanu said. Anyway, it is not his job to know about the specifics of the proposed law, he said, about the specifics of the proposed law, he said, adding: "The matters I deal in are ones of principle."

The Romanian Intelligence Service — government prefers the more soothing translation "information service" — was formed in March 1990, three months after the dictator Nicolae Ceausescu was overthrown and he and his wife, Elena, were executed.

Mr. Magureanu, who is 53, was visible at the summary trial of the Ceausescus, although diplomats say his role at the time has remained unclear. He was close to Ion Iliescu, who succeeded Mr. Ceausescu as president.

The fact that Mr. Magureanu gives interviews, and held a news conference in October, does not impress all Romanians, particularly members of the old Securitate, who was a political prisoner. "The new state secrets law is an awful document. If it is passed it will ruin a rather good constitution."

Among the questions asked of Romania by Western governments but never fully answered in the last four years, are these: How many members of Magureanu's service belonged to the Securitate? What has been the accounting of the past Securitate members, and how many paid informers still operate in a society that was riddled by the completely candid No spy master is expected to be completely candid. But Mr. Magureanu's life as a Marxist-Leninist academic specializing in totalitarian propaganda seems to have left him with an elusiveness as well as a wooden speaking style. "Of the total amount of employees of the former Securitate, we have kept nearly 17 to 20 percent," he said.

In September, Mr. Magureanu gave parliament different figures and no context in which to render them comprehensible.

It is clear, however, that the official ranks of the Securitate have been cleaned to some extent. Western investors in Romania say they find former Securitate officers turned businessmen the most reliable, if not the most likable, partners.

As for releasing a list of former Securitate members, Mr. Magureanu said: "No country has put out the lists of real officers except if they were criminals." He repeated a four-year-old pledge, so far unfulfilled: "We intend to make public a list of war criminals."

WORLD BRIEFS

New UN Libya Sanctions Take Effect

UNITED NATIONS, New York (Reuters) — New Security Council sanctions against Libya came into force on Wednesday to pressure Tripoli into surrendering two men accused of the bombing of a Pan Am airliner over Lockerbie, Scotland, in 1988.

The sanctions freeze Libya's financial assets abroad, but exclude funds derived from oil, natural gas or agricultural commodities exports. The resolution also prohibits the sale of oil-related equipment for refineries and for transporting oil. But the detailed list excludes production equipment Libya needed to drill for oil, its economic lifeline. Libya has been under UN sanctions since April 1992 that ban all civilian flights to and from the country and the sales of aircraft parts and arms.

Russian Communists Win a Round

MOSCOW (Reuters) — The Russian Communist Party won a victory in its election campaign on Wednesday when the official Arbitration Court threw out a bid to have the party banned from the Dec. 12 elections.

A first deputy prime minister, Vladimir F. Shumeiko, had sought to ban the Communists and the centrist Democratic Party of Russia, saying that both had violated the rules by publicly opposing the draft constitution, which is to be put to a referendum the same day.

The Central Electoral Commission will make a final decision this weekend on whether the Communists can run. Commission members have said privately it was unlikely any ban would be imposed.

U.S. Accepts Czech Findings in Gulf

PRAGUE (Reuters) — An U.S. delegation said here Wednesday that it had accepted the findings of a Czech anti-chemical warfare unit that detected five separate incidents of exposure to chemical agents during the Gulf War.

But the officials said it was too soon to conclude that the chemicals had any connection with health complaints by thousands of troops — mainly Americans and Britons — who served in the Gulf during the 1990-1991 war.

Georgians and Abkhazians Sign Pact

GENEVA (AP) — Representatives of the Georgian government and Abkhazian separatists signed an accord Wednesday intended to pave the way toward peace in the troubled former Soviet republic.

Copies of the document were not immediately available. But it was understood to contain provisions for an end of hostilities during peace negotiations, an exchange of prisoners and a return of refugees to their homes. The memorandum was signed by Djaba Ioseliani, president of the Georgian emergency committee and Sokrat Jijolia, No. 2 in the Abkhazian capital, Sukhumi. It was the first direct meeting since Abkhazian rebels forced Georgian troops from Sukhumi in September.

Swedes Arrest 500 to Calm Protests

STOCKHOLM (AP) — About 500 Swedes and Danes were arrested to prevent rival neo-Nazi and anti-racist demonstrations in Stockholm and Lund from getting out of control, the Swedish police said Wednesday. The demonstrations unfolded "fairly calmly," with people from both groups being arrested to prevent greater problems, the police said.

Early Tuesday evening, neo-Nazi and anti-racist demonstrators and youth gangs throughout Stockholm threw rocks and smashed several store windows in the central shopping core, but no injuries were reported, according to the police. Most of the arrests were made in Lund.

Train Derailed Near Paris, Killing 4

CREIL, France (AP) — Four persons were killed and 37 were injured near here Wednesday when a passenger train derailed and hit an oncoming train in what officials said may have been sabotage.

Officials of the SNCF rail authority said the derailed train at Saint-Leu-d'Esserent, north of Paris, appeared to have been caused by a large metal ball left on the tracks. SNCF technicians said that another train had passed the same spot without incident a half-hour before the accident.

After it was derailed, the passenger train lurched on to another track and ran into an empty train coming from the opposite direction, which authorities said. "Sabotage is one possibility among others, such as mechanical breakdown," said a prosecutor at the scene. The engineer of the derailed train and two passengers were killed instantly. The fourth victim died in the hospital.



A morgue worker in Sarajevo with the remains of two nurses killed by a Serbian artillery attack on one of the city's main hospitals.

Parleys on Bosnia Make Little Progress

GENEVA — Bosnia's faction leaders haggled Wednesday, but Muslim leaders said that the Bosnian Serbs were still not ready to make land concessions the Muslims consider necessary for peace.

The delegation of the Muslim-led government said a map outlining their territorial demands had been dismissed by the Serbs and that negotiations were proceeding with "great difficulty."

However, Muslim negotiators also said there was "room for optimism" on another of their key demands — full access to the Adriatic Sea at the port of Neum, held by Bosnia Croats.

The new map outlines the parts of Bosnia the Muslims want to reclaim from their adversaries under a European Community-backed plan to ease trade sanctions on Serbia in exchange for land concessions from the Bosnian Serbs.

Details were sketchy, but Muslim delegates said it would cede some of the land seized by force by the Serbs, especially in eastern and western Bosnia.

"It has not been accepted," Prime Minister Haris Silajdzic said after President Alija Izetbegovic of Bosnia completed morning talks with Radovan Karadzic, leader of the Bosnian Serbs.

However, Bosnia's ambassador to the United Nations, Mohammed Sacirbey, was more positive about the chances of a compromise with the Croatian side over Neum. "We think there is room for optimism there," he said.

Bosnia's mainly Muslim parliament rejected a plan to create a union of ethnic republics in Bosnia in September because it fell short by 3 percent to 4 percent of their demands for land.

While the union was still official on the agenda, diplomats said there was a clear understanding on all sides that any future union would not last and that Serbian and Croatian territories would be annexed by Belgrade and Zagreb.

In Sarajevo, meanwhile, two nurses died and three medical staff were badly injured when an artillery shell hit the hospital late Tuesday, a doctor said. Four other shells hit the area around the hospital during the barrage.

After Decades of Nazi-Hunting, a Bitter Pill for Wiesenthal

By Henry Kamm
New York Times Service

VIENNA — Simon Wiesenthal says that one present he was not wishing for as he looked forward to his 85th birthday on Dec. 31 was a book, published last month in the United States, titled "Betrayal."

In pursuit of often-repeated claims that Kurt Waldheim, the former United Nations secretary-general and president of Austria, is a war criminal, the book asserts that Mr. Wiesenthal, who since his liberation from a Nazi concentration camp has devoted his life to uncovering such criminals, knew of Mr. Waldheim's guilt but protected him.

The book's principal author is Eli M. Rosenbaum, now deputy director of the Justice Department's office for war-crime investigations. He wrote in collaboration with William Hoffer, a ghostwriter of best sellers.

Mr. Wiesenthal denied the authors' allegation that he had concealed information damaging to Mr. Waldheim that they said he discovered in 1979.

"I feel sorry for him, despite the fact that he covered me with hatred and insults," Mr. Wiesenthal said of Mr. Rosenbaum during an interview in the modest apartment from which he operates his blandly named Documentation Center.

Mr. Wiesenthal argued that Mr. Rosenbaum and the leadership of the World Jewish Congress, a U.S.-based group on whose behalf Mr. Rosenbaum conducted a 1986 investigation of Mr. Waldheim's wartime service in the German Army, had a special responsibility to prove their claims against Mr. Waldheim. He suggested that he had been attacked by Mr. Rosenbaum because he had declared the evidence inconclusive.

"We live in a world where many don't like us," he said. "They want to show Jewish conspiracies. Accusations from Jewish sources must be able to stand up to all tests of credibility."

Mr. Wiesenthal said he was asked in 1979 by associates of Yad Vashem, the Jerusalem memorial and research center on the Holocaust, to check whether Mr. Waldheim had been a member of the Nazi Party.

His query to the Berlin Documentation Center, a repository of Nazi archives under the control of the Western Allies, produced a negative reply, he said, and he dropped the matter.

In the Austrian presidential campaign of 1986, when Mr. Waldheim, the People's Party candidate, was first denounced by the Socialist Party and the World Jewish Congress, Mr. Wiesenthal was questioned again on what he might know.

Mr. Wiesenthal said he had replied that he had neither sought nor obtained evidence supporting accusations that Mr. Waldheim had taken part in war crimes as an aide to the general staff of the German occupation force in the Balkans.

Mr. Wiesenthal said he was convinced that Mr. Waldheim had lied about his war record and had been aware of many crimes committed during his service as a staff officer to a general later hanged for war crimes. But he said no evidence had been turned up under which Mr. Waldheim could have been convicted.

Mr. Wiesenthal said the World Jewish Congress had been critical of his work since the 1950s, when its late president, Nahum Goldmann, negotiated with West German payments to Israel as a gesture of compensation for Nazi crimes.

He said Mr. Goldmann believed that Mr. Wiesenthal's striving for what Mr. Wiesenthal calls "moral restitution" was an obstacle to obtaining the "material restitution" that Mr. Goldmann sought.

He fought back tears when asked what he believed gives meaning to his existence now.

"We were 149,000 Jews in Lvov," he said, his voice breaking. He was speaking of the city now in Ukraine where he studied as a youth. "Not even 500 survived. If I were a religious man and believed in a world after this, and if I saw again those who were murdered, I'd trace them and feel I didn't survive in vain."

An Honor From Austria

President Thomas Klestil of Austria on Wednesday awarded Mr. Wiesenthal the Austrian Cross of Honor of the Sciences and Arts for his work on behalf of tolerance and humanity, Agence France-Press reported from Vienna.

Police Faulted in German Violence

The Associated Press

BONN — Bumbled police work may force authorities to free three youths held in the arson murders of five Turks, the deadliest attack in three years of rightist violence in Germany.

Six months after the fire that killed the five girls and young women, there is no clear picture of who set it, who planned it, or what accelerated speeded the flames through the three-story house in Solingen, northeast of Bonn.

Fijians Will Vote in March

The Associated Press

SUVA, Fiji — Parliament will be dissolved in January and elections held in March, according to the acting head of state, Sir Kamisese Mara.

While police errors appear to be the cause of problems in the Solingen case, its handling has sharpened criticism of Germany's justice system and the government's response to extremist violence.

The courts have treated most of the teenagers charged in thousands of rightist attacks in the last three years as simple juvenile delinquents rather than as terrorists.

Despite the attention focused on Germany over the Solingen attack, followed by a week of riots and angry protests from the Turkish government, the police appear to have been led to a blind alley by the prime suspect, Christian Rieber.

The troubled 16-year-old has changed his story three times since being arrested two days after the May 29 arson attack. Acting on a confession that he has since retracted, police on June 5 arrested three other youths. They likely will be released next week for lack of evidence, said Gottfried Bernath, leader of the internal affairs committee of parliament.

Critics say the police, under pressure to come up with suspects, were too eager to portray the attack as the work of a small band of aimless youths and did not follow up evidence that might have led to hard-core radicals.

Evidence of a plan was found during a search of an apartment in Wuppertal three weeks before the attack, but that lead was not pursued, Mr. Bernath said in an interview with the daily Tageszeitung.

"We haven't yet taken a decisive step against organized rightist criminality," he said.

TRAVEL UPDATE

Accord Is Reached at L.A. Airport

WASHINGTON (AP) — Officials at Los Angeles International Airport and airline executives resumed talks on Wednesday to work out details of a landing site settlement, brokered by the Clinton administration, that averted a threatened airport shutdown.

Transportation Secretary Federico Peña said late Tuesday that the airport and representatives of more than 50 airlines had reached an "agreement in principle." The accord "will avoid any disruption," he said. The City of Los Angeles had said it would bar the airlines from using the airport unless they paid higher landing fees by Dec. 4.

Smoking has been banned on Singapore Airlines flights between Singapore and Australia. The airline said the move was prompted by growing passenger demand. (AP)

Hartsfield Airport in Atlanta has banned smoking in all public areas. But Philip Morris plans to contribute \$250,000 to help build 10 smokers' lounges in the airport with separate ventilation systems. (NYT)

Snow and ice caused traffic chaos in Belgium again Wednesday, and the police appealed to commuters to travel to train. But conditions improved enough to allow the Brussels airport to reopen. (Reuters)

Italian movie houses, theaters and concert halls went dark in much of the country Wednesday as artists, technicians and others in show business called a one-day strike to protest proposed cuts in pensions for employees of dance, theater, film, music and dubbing companies. (AP)

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STATESIDE / SPACE ADVENTURE

POLITICAL NOTES

New Jersey Governor's Election Confirmed

TRENTON, New Jersey — As the Board of State Canvassers gave weight of law to the voters' choice of Christine Todd Whitman as New Jersey's governor, she met with federal and state investigators, trying to put to rest suspicions about the voting.

Mrs. Whitman said she met with the U.S. attorney for New Jersey, Michael Chertoff, and with James R. Zazzali and George F. Kugler, the two former New Jersey attorneys general who are heading the state investigation into allegations that Republicans bought off black ministers and Democratic workers to help assure her victory. "The meeting was cordial and the discussion candid," Mrs. Whitman said. (NYT)

Is U.S. Military Censoring Critic of Liberals?

WASHINGTON — Is Rush Limbaugh, the bombastic host of America's most popular radio talk show, a victim of military censorship?

That is the accusation of conservative lawmakers and Limbaugh fans such as Representative Robert K. Dornan, a Republican of California, who is trying to force the Pentagon to carry the show on the Armed Forces Radio and Television Service.

Mr. Dornan, in a letter to Defense Secretary Les Aspin signed by 70 congressional colleagues, blamed "liberal leadership" at the Pentagon for muzzling Mr. Limbaugh while showing troops with such "slanted" liberal fare as the Oprah Winfrey and Phil Donahue shows.

Pentagon officials denied that they were afflicted with liberal bias. They said Mr. Limbaugh's three-hour radio show was too long, that his TV show was not popular and that, in any event, surveys showed that the troops would rather listen to music, sports and news.

The Armed Forces Network acknowledged that it had received "a couple dozen letters" from service personnel requesting the show. For that reason, it said, the network approached Mr. Limbaugh's producers in June about airing a truncated version. But it said they declined. (WPT)

Spielberg Movie Draws Tears at White House

WASHINGTON — President Bill Clinton and his wife, Hillary, were in the audience, there was hardly a dry eye in the house, and the movie was such a hit that its creator, the filmmaker Steven Spielberg, got an invitation to the White House.

Aides said the Clintons were deeply moved by the private screening of "Schindler's List," commemorating the work of the German industrialist Oskar Schindler in saving the lives of 1,300 Jews during World War II.

Before the screening, Mr. Clinton met with Mr. Schindler's widow, Ennle. Mr. Schindler, a Nazi himself, bribed and duped the Nazis into sparing hundreds of Jews who worked in his factories. He died in 1974.

After the screening, the president and Mrs. Clinton accompanied Mr. Spielberg, his wife, the actress Kate Capshaw, and their entourage to the White House for some late-night socializing. (AP)

New York Will Pursue Diplomatic Scofflaws

NEW YORK — Scofflaws will no longer be able to hide behind diplomatic immunity, State Department and city officials say.

The State Department, which had turned down numerous requests by New York City, has agreed to crack down on diplomatic scofflaws in the city by denying renewal of diplomatic registration plates to those countries that refuse to pay parking tickets.

The city has 71 foreign consulates and 166 UN missions. Diplomats have parked their cars like jackstraws — anywhere they want — without a thought to being towed or to receiving a ticket. (NYT)

Quote / Unquote

Mark Mellman, a Democratic pollster: "Crime has become a no-lose political issue as long as you have something to say about it. It has been showing up in polls as the No. 1 concern of Americans no matter how you ask the question."

Clinton Wins Legislative Backing for U.S.-Soviet Orbiter

By Kathy Sawyer

WASHINGTON — President Bill Clinton has declared his enthusiastic support for building a space station in partnership with the Russians and secured a rare consensus on the issue from skeptics in Congress.

Mr. Clinton and Vice President Al Gore discussed the project with congressional leaders at a White House meeting earlier this week. After administration officials explained the details and Mr. Clinton expressed his full commitment, the legislators unanimously agreed to support the effort, Mr. Gore said.

The proposal to construct a U.S.-led international orbiting station beginning in 1997, with the Russians as a major partner, has been the subject of congressional wrangling since the administration floated the idea earlier this year.

Members of Congress who have long supported a space station have balked at the notion of a Russian partnership for a variety of reasons, including uncertainty about the state of the Russian economy and the military-industrial infrastructure that operates their space program, concern about the hidden

costs of such a complex technical venture and how it will affect other NASA programs, and distaste for rewarding the former enemy in a way they say could cost American jobs.

Mr. Gore, who joined the president and Daniel S. Goldin, the NASA administrator, in the meeting with the House majority leader, Richard A. Gephardt, Democrat of Missouri, and other members from both parties, said, "We answered each of their arguments and laid out our case."

Mr. Gore said the legislators unanimously agreed to support construction of the space station and a related series of joint missions in which U.S. space shuttles will dock with the current Russian space station, Mir.

He said they had also agreed to lift the legislative "fence" Congress put around \$100 million intended for Russian cooperative programs in next year's NASA budget — the first of four such annual payments to Russia.

Although numerous obstacles remain, including overall funding, the consensus reached at the meeting meant the administration "has passed the final hurdle" along the way to an agreement Mr. Gore and Russian leaders plan to sign during a visit to Moscow on Dec. 14-17, the vice president said.

The plan seeks to expand the rationale for the space station beyond technology and jobs — an approach that has kept it on the drawing boards in one form or the other since the mid-1980s — and give it a basis in foreign policy.

Mr. Gore said that with Russia's involvement, the space station would cost about \$2 billion less, be completed two years earlier, and be a larger facility.

The U.S. share of the project's cost would be about \$29 billion. The cost to the Russians would depend on the final design of the project. The permanently occupied outpost would be completed by 2001.

The project's other international partners in Europe, Japan, and Canada have in recent days signaled their intention to accept the plan despite earlier concerns, he and other officials said. The president plans this week to sign a decision memo on the matter and send a letter urging the partners to make their consent official on Monday, the agreed deadline.

The White House end of the bargain was the president's "firm commitment to fight for the space station with a new coalition" in Congress, said Gregory C. Simon, Mr. Gore's domestic policy adviser.

To those who argue that the United States should not take the

risk of making Russian assets an integral part of its space program, administration officials responded that the Russians, the world's leading pioneers in long-term human space flight, have agreed to abandon plans for their own second-generation Mir space station. As one official put it: "The bigger question is what are the implications for the Russian program if we pull out. They are making a huge commitment."

High Winds Delay Shuttle Launching

The Associated Press

CAPE CANAVERAL, Florida — High wind prevented the space shuttle Endeavour from being launched Wednesday on a mission to repair the Hubble Space Telescope. The launching was rescheduled for early Thursday.

The National Aeronautics and Space Administration held its countdown clocks at nine minutes and again at five minutes in hopes that the weather would improve. But officials gave up after an hour.

Crosswind gusts of up to 22 miles an hour (36 kilometers an hour) were recorded, well over the safety limit in the event of an emergency return to the launching site.

Intermittent rain and low clouds, added to the problems, as well as a ship that briefly strayed to the restricted booster-recovery area.

The liftoff time Thursday will be 0927 GMT, when better weather is expected.

A record five and possibly seven spacewalks are planned during the 11-day flight to fix the telescope. It is the first of several planned service calls on the troubled \$1.6 billion telescope, which was launched in 1990, but has never worked properly.

Among the new parts it is to receive are a wide-field planetary camera, solar panels and gyroscopes.

Supreme Court Goes DIGging

How the Justices Sweep Their Mistakes Away

By Joan Biskupic

Washington Post Service

WASHINGTON — It is the judicial equivalent of "never mind." It happens when the Supreme Court realizes it has nothing to decide. Maybe the justices made a mistake in accepting the case, or something beyond their control changed. Or they just copped out.

"Sometimes they can't agree and they know it, and everyone is so sick of the case that they just want it to go away," said Paul T. Cappuccino, a former law clerk who is now a Washington lawyer.

That is when the Supreme Court does it: the court DIGs a case. That's shorthand for "Dismissed as improvidently granted."

A DIG occurs only two or three times a term, but it happened twice this week. Once the justices have selected a case, asked the parties to write briefs and heard oral arguments, they are reluctant to say they have nothing to say on the matter.

"It's a way for the court to cut its losses, but it's almost always a

bummer for lawyers," Mr. Cappuccino said.

Sometimes during oral arguments, one can feel a DIG coming — as in the criminal case dismissed Tuesday. During arguments four weeks ago, it became clear that the South Carolina parole law in dispute had been changed in June by the state legislature — but that no one involved in the case had realized it until just days before the oral argument.

Carl N. Lundberg, representing South Carolina probation officials, told the justices that a new law, indeed, had been enacted but that "nobody was aware of it until Friday this past week."

Justice Harry A. Blackmun, who rarely asks questions, said, "Well, you come in here with a 4½-month-old statute and present it to us the eve of the argument. You surely don't practice law that way in South Carolina, do you?"

"No," Mr. Lundberg tried to explain. "But we had a large number of laws."

And that apparently ended that. The court's order said simply that

Cavanaugh v. Roller was "dismissed as improvidently granted." No comment. No recorded votes.

Mr. Lundberg, handling his first case before the court, said he had hoped the justices would have resolved a secondary legal question at issue.

The court rarely explains why it dismisses a case as improvidently granted.

Many times a case is dismissed because the justices, or the law clerks who screen the appeals, misunderstood the legal issues on initial consideration.

Some court watchers thought that is what happened in Tuesday's second dismissed case, *Humi Seimatsu Kogyo Kabushiki Kaisha v. U.S. Philips Corp.* On the surface, it tested when federal appeals courts may "vacate," or nullify, a lower-court judgment when parties to the case have settled their differences.

Corporations who have lost a case at the trial level often decide to settle on appeal and pay off a claim in return for getting rid of the adverse judgment.

Away From Politics

Dr. Jack Kevoorkian wants to stay in jail and starve himself while Michigan officials try to prosecute him for violating the state's law against assisting in suicide, his attorney said. A district court judge has scheduled a hearing for Dec. 10 to decide whether to try Dr. Kevoorkian in the case of a 72-year-old woman with an incurable muscle disease who died by inhaling carbon monoxide gas in the doctor's apartment in October.

A former emergency room doctor who refused to treat a man with AIDS has settled a lawsuit against her for \$85,000. The settlement in federal court in Los Angeles "sends out a message to all doctors, other health care providers, and other professionals and businesses that discrimination in regards to HIV status can get them into big trouble," said Jon Davidson, senior staff counsel for the American Civil Liberties Union of Southern California.

Lyndon LaRouche, the persistent presidential candidate who has been imprisoned for nearly five years for raising campaign funds illegally, will be freed from a federal prison in Rochester, Minnesota, next month, the U.S. Parole Commission said. The 71-year-old political extremist will have served one-third of his 15-year sentence for mail fraud and conspiracy.

A man irritated by a persistent car alarm has been charged with second-degree murder for shooting a college student in Seattle who could not figure out how to turn it off. Terrance Milton Hall, 57, was charged in the death of Steven Burgess, 21, of Shady Cove, Oregon, who was trying to find the alarm under the hood of his rented vehicle when the shooting occurred.

A man reportedly upset because children cut through his yard on their way home from school opened fire on about 30 of them with his rifle and wounded a 13-year-old boy, according to the police in Charleston, South Carolina. Thomas Hitchcock, 34, was charged with assault and battery with intent to kill. (AP, NY, WP)

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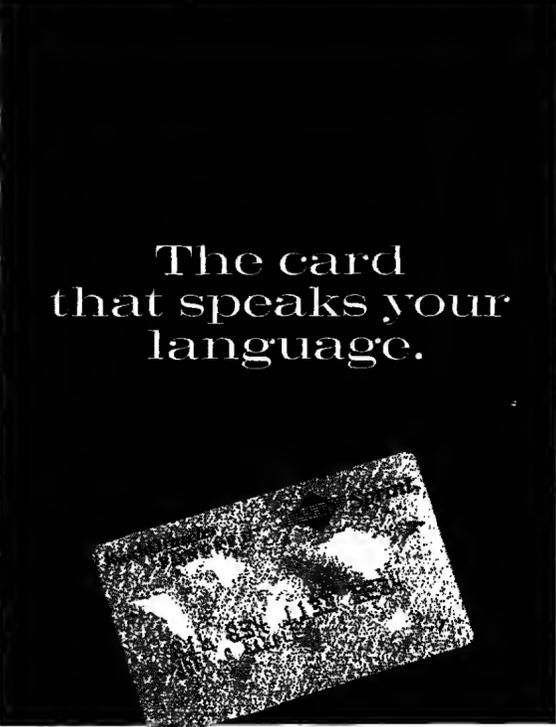
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OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

An Opportunity for Peace

Prime Minister John Major appears to have survived with surprising ease a challenge in Parliament this week over his government's contacts with the Irish Republican Army...

this kind are usually not publicized—think of the Israelis and the Palestine Liberation Organization, or the U.S. government and the Chinese—until the ground rules for serious negotiations have been established and the prospects for agreement look good.

The Plutonium Glut

The dismantling of nuclear warheads after the Cold War will free as much as 40,000 A-bombs' worth of plutonium in the coming decade, according to a recent report by the Rand Corporation.

even harder to dispose of. America's British, French and Japanese allies seem hell-bent on producing plutonium for power plants. That may once have made sense as a hedge against uncertainty in energy supplies.

Family Planning for All

By giving \$13.2 million to the International Planned Parenthood Federation last week, and by resuming funding for the United Nations Population Fund next January, the Clinton administration has revived a banner that America dropped in 1984.

versy, Ronald Reagan's advisers had a blithe and unnerveless, sexist, answer. Population growth, they said, was a "natural phenomenon" that could stimulate economic growth.

Democracy, Mexican Style

The last time Mexico had a presidential election, in 1988, computers mysteriously stalled, ballot boxes vanished and, a few days later, Carlos Salinas de Gortari, the candidate of the governing Institutional Revolutionary Party, or PRI, was abruptly declared the winner.

intimidation and pervasive electoral fraud. Mr. Colosio is a longtime Salinas associate, an economist with a master's degree from the University of Pennsylvania.

The Way Forward for an Inspired NATO

By Zbigniew Brzezinski

WASHINGTON—In the wake of victory in the Cold War, Western leaders seem bereft of the strategic vision and daring that led to the founding of NATO and to its unique military-political integration of two continents.

is progressively to be diluted into a vast and still undefined security system from Vancouver eastward to Vladivostok.

A worthy goal is a Europe within its historical and cultural frontiers, a Europe that truly embraces its Central European kin, a Europe that by expanding the scope of its security arrangements reduces the potential for Bosnia-type instability.

scious of the threatening instability in the East (dramatized by the bloodshed in southeastern Europe), Germany sees eastward expansion of NATO as an integral part of shaping a secure, united and larger Europe.

denis to make each other look good may produce formulas that could perniciously affect the prospects for European stability.

What Ought to Be Done for Bosnia Won't Be Done

By William Pfaff

PARIS—The European Union governments are making one more attempt to bring a settlement to Yugoslavia. They demand territorial concessions to Bosnia by Serbs and Croats.

manitarian convoys, continues to bombard civilians or resist the territorial concessions demanded of Serbs and Croats by the Europeans.

Asia Should Be Investing in the Environment, Too

By Philip Bowring

HONG KONG—"Where there's muck there's brass" was a colloquial saying of the English in the Industrial Revolution. This might translate into modern jargon as "Where there's pollution there's GNP growth."

have been said of Mao's China or pre-reform Vietnam. Dengist GNP growth may stun the world, but at some point society will have to pay for pollution, and the decays of irrigation and health delivery systems.

Off Work: A Disaster In America

By Bob Herbert

NEW YORK—The vast majority of American young people, three out of four, never get a college degree. And the schooling they do receive does not prepare them well for the world of work.

According to the Department of Labor, "They receive little guidance on how to move in a career that can support a family. Their reading, writing, math and communications skills are largely inadequate for the demands of today's quality employers."

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Crisis in Italy
ROME—"It is not a Ministerial crisis, but a national crisis," said Deputy yesterday (Nov. 29). The Zanardelli Cabinet will be formed in a few days, but no one believes that it will last.

1918: Splendid Welcome
LONDON—London gave a magnificent welcome to day (Dec. 1) to the French Premier, M. Clemenceau, Marshal Foch, and the two Italian Ministers, Signor Orlando and Signor Sonnino.

1943: To Defeat Japan
CAIRO—[From our New York edition.] President Roosevelt, Prime Minister Churchill and Generalissimo Chiang Kai-shek have concluded an extraordinary five-day conference somewhere in North Africa, at which they agreed to prosecute the war against Japan until she is utterly defeated, and then strip her of all territory she has gained by conquest or other means since 1895.

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OPINION

France Gives Grandeur a Rest

PARIS — In their autumn of distress, the French have turned to a conciliator for political leadership. To Edouard Balladur comes the chance to show that tolerance can supplant grandeur and confrontation as the driving force of a political system built on deep and historic national division.

By Jim Hoagland

It is still not clear that the easily bored French can stand all that much tolerance or that they will reward Mr. Balladur for practicing his soft politics of persuasion on them. The prime minister they elected in March balances on a powder keg of social discontent and factional political rivalries that could explode to wreck his untested but ample presidential ambitions.

This means that France is even more self-absorbed than usual. Gallic ambitions to create a united Europe through political willpower may go on hold over the next 18 months in the run-up to the 1995 presidential election.

In a conversation at the Matignon mansion that is the prime minister's official residence, Mr. Balladur himself suggests that it is time for a Europe Light, for a lessening of the heavy bureaucratic structure that previous French governments labored to impose.

It may be necessary to simplify the structure of Europe over a period of years, he said as he dropped a log on a crackling fire that broke the chill of the uncharacteristic bitter cold that has gripped Paris this week.

There are many organizations. We need to bring some of them together and to compare what they are supposed to do. Mr. Balladur asserts that his task of renewing the domestic economy will not make his nation less internationalist in its outlook. But, like President Bill Clinton, his political fate depends much more on creating jobs and restoring confidence at home than on maintaining a high profile in foreign affairs.

French unemployment continues to rise despite the modest stimulus package that Mr. Balladur has enacted. A nation that was shocked to see 2 million people unemployed four years ago now has 3.2 million jobless, 12 percent of the work force. Anguish and xenophobia have replaced the customary flaneur. Mr. Balladur is determined not to light the fuse to the powder keg. He has sought peace with France's militant unions and farmers, who see their cherished comfortable way of life endangered by a shrinking economy and global trade negotiations. He has backed off when confronted with strikes that appeared to be slipping out of control.

A society that faces more than 10 percent unemployment cannot be managed like a society that has 3 or 4 percent unemployment, he observed. "You cannot carry out all the reforms you may want when unemployment is high and economic growth is very limited. You must take extra care not to inflict a shock on people."

A leader "can no longer give orders from the top and be obeyed all the way down," he said. "You have to make yourself understood. You have to inform the public. And you have to accept that you are not always right, to question your own policies."

It is hard to imagine such words coming from Charles de Gaulle or the incumbent Socialist president, François Mitterrand, who governs in tandem with the center-right co-

alition in the parliament that Mr. Balladur heads. Mr. Mitterrand has emulated de Gaulle's Olympian detachment, a style that permits no public hint of self-doubt.

But Mr. Balladur benefits from the new and perhaps temporary French appetite for modesty in their leaders. His personal approval polls, stands at 60 percent, well ahead of Mr. Mitterrand and other French political leaders. Mr. Balladur is now seen by many analysts as the leading presidential contender from his neo-Gaullist Rally for the Republic party.

It was not supposed to be that way. Mr. Balladur, an eminence grise and finance specialist for most of his career, was chosen for the prime ministership by his party's leader, Jacques Chirac, the mayor of Paris and twice former prime minister. Mr. Chirac chose to devote his energies to preparing

his own campaign for 1995. Now he has to be hoping that Mr. Balladur will slip on a banana peel. Mr. Chirac's hard-line position on GATT trade negotiations is intended to corner Mr. Balladur, who has to be flexible enough to get an accord without seeming to give away French interests.

Mr. Balladur brushes aside such speculation about the future and returns the conversation to the day-to-day problems he is trying to surmount. Courteous rather than warm, sly rather than charismatic, the prime minister acknowledges that his case-by-case, nonconfrontational political approach is "an experiment" for the French public.

The French like generalizations and grand principles. But it is a time to experiment, to see what you can do, re-examine it when you have done it and then move ahead again," Mr. Balladur concludes. Thus far the French seem ready to give unexciting pragmatism a chance.

The Washington Post

level to nearly 50 percent — and was signed by President Benjamin Harrison, a Republican, who had won the 1888 election on a high-tariff plank.

Mr. McKinley himself, as president, signed the Dingley Tariff, raising rates to a new high. Warren G. Harding signed the Fordney-McCumber bill in 1922 and Herbert Hoover the Smoot-Hawley Tariff in 1931.

BERNARD SINSHMEIER, Boulevard, France

To Stop Nuclear Arms

Regarding "Look Again At Nuclear Facts of Life" (Opinion, Nov. 11) by Philip Bowling:

Mr. Bowling's assertion that "nuclear weapons technology cannot be stopped, only slowed" sounds like another self-imposed limit that said humans were never meant to fly, much less to the moon.

It is patently absurd (and certainly no "fact of life") to assume we cannot rid our world of a weapon, or any harmful technology, that we created. Doing so requires new visions, willpower, courage, stamina and fewer limits on our creativity.

JOHN OTRANTO, Munich

Free Jonathan Pollard

Regarding recent letters on Jonathan Pollard, who is jailed in the United States for spying on behalf of Israel:

No one denies that Jonathan Pollard committed a crime, but his sentence of life imprisonment is disproportionate in the extreme. No other person in U.S. history has received more than a 10-year sentence for this offense: passing secret information to a friendly nation. Mr. Pollard has now served eight years, the last five in solitary confinement. He has paid his debt to society and his sentence should be commuted to time served.

DIANA BECKETT, Boulogne-sur-Seine, France

Bring Back Gorbachev

Mikhail Gorbachev is the appropriate person to guide Russia out of its present dilemma. He is a mature citizen, veteran politician, and an experienced president. He is aware of the good and bad of political principles, and his knowledge and experience should not go to waste.

POOPAL SUBRAMANIAN, Bonn



The Christian Science Monitor Los Angeles Times Syndicate

LETTERS TO THE EDITOR

Doctors Who Heal

How about, finally, a separate Nobel Prize for medicine?

Once more, two biotechnicians have received the Nobel Prize in Physiology or Medicine and once more bedside physicians have been overlooked. With the development of modern laboratory research it becomes more and more unlikely that a clinician will ever again be the recipient of the prize.

We propose that the prize for physiology and medicine be split and that the emphasis of the prize for medicine be placed upon clinical medicine to prevent an endless list of laboratory technicians, engineers, botanists and so on — who have never studied medicine and never sat at the bedside of a patient — from being rewarded under the heading of "medicine."

In 1981 we approached the Nobel committee with this proposal, without success. Is there any support among your readers?

W. KONGSBERGER M.D., Genolier, Switzerland

In a Crystal Ball, Darkly

A number of newspapers, notably your own, have drawn attention to the efforts made by Martin Scorsese to establish accurately the right period background for his film, "The Age of Innocence," based on Edith Wharton's novel.

However, in the film we see in Ellen Olenska's drawing-room a well-known painting by the Belgian symbolist Fernand Khnopff, "Art," which depicts a leopard embracing a young man. This is presumably meant to indicate Ellen's exotic and avant-garde tastes. Not merely avant-garde but prophetic, since although the action of the film takes place in the New York of the 1870s, Khnopff did not paint the picture until 1896.

MICHAEL PALMER, Luxembourg

Misconstruing the Bard

Regarding "Doctors' Salad Days May Be Over" (Nov. 8):

Not only is Shakespeare constantly plagiarized, his words are often misconstrued. When Cleopatra ("Antony and Cleopatra" Act I, Scene 5) utters the phrase "My salad days, when I was green in judgment," obviously she is referring to the time when she was too young to have gained wisdom.

How can you possibly transform that into "Doctors' Salad Days May Be Over"? Perhaps the headline writer imagined that salad meant greenbacks.

MARJORIE STEELE, Antibes, France

Editor's Note: Mrs. Steele is correct. The headline was changed to "Doctors' Shrinking Salary Syndrome" in later editions.

Warmth for Serbia

The editorial "Winter Warmth for Bosnia" (Nov. 16) suggests that the cutting off of gas, and thus of heat, to Belgrade is a good idea. This not only would force "Serbian aggressors" to "share Sarajevo's pain" but torment innocents as well. Two wrongs don't make a right.

ARISTOTLE TZIAMPIRIS, Brussels

The Splendid Wealth Of the Poor Bhutanese

By Paul Spencer Sochaczewski

JANGTSIKHA, Bhutan — From a mountaintop, I looked down on the long valley. Not far off was a Buddhist shrine, which the Bhutanese call a dzong, a temple-fortress built to withstand the elements. Prayer flags fluttered in the wind. I counted three houses in the valley. Trees blanketed the hills.

Later, I descended 1,500 meters (4,900 feet) to Jangtsikha village, where I met Gyetltsen, a farmer. It was an Aristotelian encounter. He looked at my Swiss Army knife, French backpack, Italian trekking shoes, American tent and Australian pants, complete with the zippered knees that allow them to be turned into shorts. Gyetltsen concluded that I was rich.

He was also quick to point out that he was poor. Gyetltsen, an illiterate, was wearing homespun clothes. His family's most important possessions were six cattle, assorted pigs and chickens, a house and his wife's turquoise jewelry.

"You're wrong," I said. "You're not poor at all. You're rich." Gyetltsen looked skeptical. "You are self-sufficient — not to mention the fact that the King provides your family with free medical care and your children with free schooling."

Gyetltsen did not respond. I kept trying to convince him: it was easy to get carried away in Bhutan's pine-scented hills. "You have the most important things anyone can have," I said, "forests and clean, fresh water. You also have a set of spiritual beliefs that provides psychological support for however many lives you may have. You have built-in conservation safeguards — you yourself just told me that the tree we are sitting under is sacred and cannot be cut. And you have a family that stays together. People in the West do not have these things anymore. This forest, those prayer flags and your children make you a rich man."

"You," Gyetltsen replied, "can afford to travel to Bhutan. I cannot afford to travel to visit you." I had no answer. No, the only way to persuade the 600,000 people

of Bhutan of just how rich they are is to bus them to neighboring Nepal. There they could see how another small Himalayan kingdom has wiped out its forests, resulting in regular landslides and shortages of firewood and clean water.

If Gyetltsen went to Nepal he would see what critics call "tourists' prayer flags," a euphemism for the strips of used toilet tissue adorning the more popular trekking routes. He would see how the Nepalese have modified their traditional cultures of Hinduism and Buddhism to accommodate a third religion, Mass Tourism.

Maybe Gyetltsen will not have to go to Nepal. The Nepalese are coming to Bhutan through the southern lowlands. Bhutanese officials say the intruders, who are really environmental refugees, are creating social tensions as they compete for resources. Such pressure is new to Bhutan. Based on the standard statistics — per capita GNP of \$425, average life expectancy of only 49 years, adult literacy of just 50 percent, and the number of doctors (a total of 42 as of 1988). Bhutan has a low standard of living.

Yet tiny Bhutan has managed to keep many of its natural resources in good shape. By royal decree, 60 percent of the land is kept under forest; hunting is banned in 20 percent of the kingdom. Outside influence is tightly curbed. Only 4,000 foreign tourists are allowed in each year, and each must pay \$250 a day for the privilege. The government is prudent in its economic management. Foreign exchange reserves are in surplus, there is no foreign debt and the budget is balanced.

Bhutan has not trashed its natural heritage or surrendered to the lure of over-rapid development based on greed. It has managed to remain in splendid isolation, a land where there is no democracy, but where every subject can request an audience with the King.

The writer, head of creative services at World Wide Fund for Nature International, in Switzerland, contributed this comment to the International Herald Tribune.



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Bonn's 'Different Approach' on Iran Draws U.S. Anger

By Elaine Sciolino
New York Times Service

BRUSSELS — The United States is locked in a bitter dispute with Germany over Bonn's determination to boost its economic and political ties with Iran and thwart Washington's campaign to isolate the Tehran regime, senior State Department officials said Wednesday.

Both countries insist that ties between the two countries are exceptionally strong, and that President Bill Clinton and President Helmut Kohl have a close relationship. But the Iran issue is a major irritant, and Secretary of State Warren M. Christopher voiced his displeasure to Foreign Minister Klaus Kinkel during a meeting in Rome on Tuesday, the officials said.

With much fanfare at his first meeting with European Community foreign ministers in Luxembourg in June, Mr. Christopher announced an American-led initiative to squeeze Iran's economy and halt the sale

of sophisticated technology that could be used for military purposes. The ministers agreed to discuss the matter, but most expressed little enthusiasm.

At a press conference during a meeting at the European Community headquarters in Brussels on Wednesday, Mr. Christopher said he "had a good discussion of the situation." Without naming any country, he essentially acknowledged that the initiative has thus far failed.

Mr. Christopher added, "The United States continues to believe Iran is an outlaw nation resisting the Middle East peace process as well as being involved in terrorist actions in many countries around the world."

Of other European countries, only Britain has wholeheartedly embraced the American initiative, while Germany, France, Italy and Japan have traditionally voiced the strongest objections to any curb on their trade with Iran.

In recent months, Germany has begun to negotiate the restructuring of Iran's \$5 billion in short-term debt

to German financial organs, a step that would substantially help Iran's troubled economy.

Germany has obstructed attempts to limit Western trade and investment with Tehran until it curbs its weapons buildup and ends its support for terrorism, and has pushed in international meetings for less pressure on Iran.

What has most infuriated Washington is that senior Iranian officials have recently made official visits to Germany. When the head of Iran's intelligence and security services, Ali Fallahian Khuzestani, visited Bonn in September, he met not only with German officials, but also with officials at Siemens AG, which had been building a nuclear reactor in Bushehr during the regime of Shah Mohammed Reza Pahlavi.

The visit prompted Mr. Christopher to make a sharp protest in a meeting shortly afterward with Mr. Kinkel.

The Germans, however, see it differently. "The American position is not fair," said one senior Ger-

man official involved in shaping the Iran policy. "The Americans are saying, 'These are the bad guys and we finished with them.' We are saying, 'These are the outcasts and isn't it better to have a dialogue with them.' We have a certain difference of approach based on practicality."

The official added that it was because of a "special relationship" with Iran that Germany was able to act as a mediator to win the release of American hostages from Iran in 1980. And he insisted that Germany has "the toughest legislation in all the world" to prevent the spread of militarily useful equipment.

Part of the problem with Mr. Christopher's initiative is that the United States itself does not ban all sales to Iran's military establishment. According to U.S. intelligence reports, Iran has circumvented loopholes in American laws by buying, through European middlemen, American-made equipment that has potential military uses, Pentagon officials said.

A Setback in India For Nationalism

Devastated Hindu Opposition Lost Support in Lower Castes

By Edward A. Gargan
New York Times Service

NEW DELHI — After four days of wading through millions of paper ballots, it became clear Wednesday that a fundamentalist Hindu political party, the Bharatiya Janata Party, had suffered devastating setbacks in its attempt to become the major challenge to the decades-long dominance of the governing Congress (I) Party.

After storming to power in four northern Hindi-speaking states on a wave of religious fervor and anti-Muslim sentiment three years ago, the Hindu party was seeking to expand its hold on the north in what it hoped would be the foundation for victory at the national level. Instead, the results on Wednesday showed that it had failed to recapture any of the states it once ruled and had managed to win only the newly created assembly here in New Delhi.

"It's a sea change," said M. I. Khan, editor of the country's most important analytical chronicle of politics, Political Events. "It is going to be a very difficult time for the BJP for some time."

In the last three years, the Bharatiya Janata Party, a broad assemblage of Hindu religious zealots, Hindu priests, militant nationalists and business people disillusioned with the corruption and incompetence of the Congress (I) Party, took control of the four north Indian states and, in national elections in 1991, increased their presence in Parliament from 2 to 119 seats, becoming the largest opposition party in India.

In large measure, the party's success stemmed from its ability to exploit sectarian passions surrounding the presence of a 16th century mosque in the town of Ayodhya. The mosque was constructed on the very place where the mythical Hindu god Ram was born, according to many Hindus.

Over the course of three years, the party and its religious allies orchestrated a nationwide campaign to remove the mosque. Last

December, as the Bharatiya Janata leadership looked on, mobs of frenzied Hindu militants reduced the mosque to rubble.

Very rapidly, Muslims spilled onto the streets of towns and cities across India, first in angry protest, and then in spasms of violence. Thousands of people died in the month that followed, most of them Muslims.

The Bharatiya Janata Party and its allies cheered the destruction of the temple, arguing that it was a visible bight on the pride of Hinduism and Hindu nationalism.

Prime Minister P. V. Narasimha Rao, who did nothing himself to prevent the mosque's demolition, dismissed the governments in all four states controlled by the Bharatiya Janata Party. Mr. Rao, who enjoys a fragile majority in Parlia-

ment, was confronted with the declining fortunes of his own party in the Hindu heartland as well as the surging popularity of Bharatiya Janata.

The four northern states, and New Delhi, where elections were held over the last month, make up more than 31 percent of India's population, about 260 million people, and political dominance here has long implied rule at the center.

Tavleen Singh, one of India's most prominent columnists, said that two major factors led to the setback for the Hindu party. In Uttar Pradesh State, she said, Hindus divided along caste lines, with many of them rejecting the Bharatiya Janata Party, which they viewed as a party of Brahmins. They opted instead for the OBCs, a term referring to lower and out-caste groups.

In Madhya Pradesh State, she said, "the BJP government stopped all development, roads, water, electricity. People just voted them out."

"It's a rather big setback for them," said Pranay Roy, an economist and India's leading poll-taker. "The single root of their loss is that this whole election was a much softer campaign. The less-militant section of the BJP dominated the campaign. The implications might be the return of the hard-liners."

Although many Bharatiya Janata Party leaders were trying to put a good face on the electoral results, in private there was considerable unease.

"Our governments were terrible," said a senior party official. "The chief ministers were terrible and everybody knew that."

As much as the Bharatiya Janata suffered a substantial blow, the governing Congress (I) Party did not emerge unscathed.

"The Congress Party is absolutely decimated in the two biggest states in India," said Mr. Roy, referring to Uttar Pradesh and Bihar.

Party Picks Woman in Wellington
WELLINGTON — Former Health Minister Helen Clark was elected head of the opposition Labor Party on Wednesday, becoming the first woman to lead a major political party in New Zealand.

Miss Clark, 43, replaces Michael Moore, who led Labor to a narrow loss in national elections last month. Labor last held power in 1990. She was elected by 26 of the party's 45 members of parliament, according to her spokeswoman.

The leadership struggle divided the party's parliament members, and its three legislators from New Zealand's native Maori tribe threatened to leave the party if Miss Clark won.

The contest has caused serious concern about the future of the country's main opposition party.

The party, led by Mr. Moore, slashed the National Party's 34-seat majority to one in the Nov. 6 election. The country was plunged into uncertainty for almost two weeks when it appeared the outcome was a hung parliament.

Mr. Moore, a charismatic leader who was prime minister for six weeks before the party was defeated in 1990 elections, had been accused by the party's left wing of trying to grab the political center in the general election.

Miss Clark moved swiftly after the vote to try to soothe tempers: "Recent days have been tense and difficult for us all. My job now is to heal the wounds and move forward into a new age of politics as a constructive, modern Labor Party."

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Mr. Bolger's one-seat majority is considered vulnerable. Rob Storey, who was dismissed as transport minister in the reshuffling, may resign from parliament, which would remove the prime minister's majority until a special election is held.

(AP, Reuters)

Patten's Next Step Puts His Credibility on the Line

Agence France-Press

HONG KONG — Governor Chris Patten's credibility will be at stake on Thursday when he announces his next move in the battle with China over greater democracy for Hong Kong, analysts said Wednesday.

Mr. Patten is widely expected to tell the Legislative Council that he will press ahead with a limited package of electoral reforms after the breakdown of Chinese-British

talks on the issue over the weekend. That would leave the door open for last-chance negotiations on more sensitive aspects of how Hong Kong is to be governed before the colony's reversion to Chinese sovereignty in 1997.

Keeping a low profile Wednesday, Mr. Patten indicated that his next move would not be radical.

"There are some issues which haven't yet been agreed to, which I

can't believe the community would regard as being controversial," he said.

The Hong Kong stock exchange's blue-chip Hang Seng index rose 1.41 percent Wednesday on hopes that Beijing and London could still find common ground, brokers said.

But by trying to appear conciliatory, 15 months after he first angered China with his original blueprint for a more democratic Hong

Kong, Mr. Patten may score few points among Hong Kong's six million people, analysts said.

"I don't see the Chinese giving in," said Robert Broadfoot, managing director of Political and Economic Risk Consultancy Ltd., a Hong Kong company that monitors Southeast Asian economies.

"Even the partial bill Patten is talking about is starting to seriously erode his credibility," he said.

Peace Offer to Khmer Rouge Is Retracted

Compiled by Our Staff From Dispatches

PHNOM PENH — King Norodom Sihanouk says he has withdrawn an offer to Khmer Rouge guerrillas of a role in government in exchange for peace after opposition from his son, the prime minister, to the deal.

The king had proposed offering "acceptable" Khmer Rouge officials positions as co-ministers, co-deputy ministers, co-secretaries of state and advisers in the new coalition government led by his son, Prince Norodom Ranariddh.

On Wednesday, the Khmer Rouge office in Phnom Penh released a letter dated Nov. 27 from King Sihanouk to the Khmer Rouge leader, Khieu Samphan, telling him that Prince Ranariddh had rejected the deal.

"I would like to inform your excellency that Samdech Krong Preah Norodom Ranariddh has rejected my proposal offering your excellency's party some positions such as co-minister, co-deputy minister, co-secretaries of state in order to solve the problem of our motherland in the spirit of national reconciliation, by considering the proposal unconstitutional," the letter said.

King Sihanouk, 71, said it was now up to the government to handle negotiations with the guerrillas.

The king is hospitalized in Beijing for treatment for cancer. Khieu Samphan was in the Chinese capital for talks with him about his peace plan.

It would require the Khmer Rouge to cease all acts of violence, return the 10 percent of the country they control, including their headquarters in the western city of Pailin, and demobilize their fighters.

King Sihanouk had suggested that the government make Khmer Rouge leaders co-ministers and co-secretaries of state in exchange for the portion of the nation under their control.

But Prince Ranariddh said that the constitution required senior government officials to be members of parties represented in the National Assembly. He said the best that the government could offer the Khmer Rouge were positions as co-deputy ministers and co-undersecretaries of state.

The Khmer Rouge, the last faction holding out against peace in Cambodia after a civil war that

began in 1979, boycotted May elections that led to the formation of the coalition government.

They have since sought an advisory role in government while continuing to wage a low-intensity guerrilla war.

The Khmer Rouge have retaken a number of strongholds in central Cambodia that had been captured by government forces in August, a Ministry of Information spokesman said Wednesday.

The guerrilla faction merged seven of its divisions to create a 1,200-member force that overran the Kratie and Sokreang districts of Kompong Thom Province, according to the ministry spokesman, Sieng La Presse.

(Reuters, AFP, AP)



PRIME MINISTER MORIHIRO HOSOKAWA during a budget committee hearing Wednesday in the lower house of the Japanese Diet. He said action was needed "to erase the uncertain economic outlook."

East German Depopulation

Agence France-Press

BERLIN — The population of the former East Germany fell by nearly a million in four years, to 15.691 million at the end of 1992 from 16.674 million in 1988, because of the numbers moving to the West and a drop in the birth rate.

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(AP, Reuters)

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On AIDS Day, Clinton Gets an Earful

The Associated Press

In Berlin, Christmas shoppers got free condoms on Wednesday, and in India a newspaper broke taboos and published a graphic illustration on safe sex as part of World AIDS Day observances.

AIDS activists in Paris decorated the obelisk in the Place de la Concorde with a giant pink condom. In West Berlin, a German group gave away thousands of condoms to Christmas shoppers. In London, Lady Diana, Princess of Wales, attended a benefit rock concert for AIDS charities.

In Washington, President Bill Clinton visited AIDS patients and doctors at a hospital. He said he was trying to lead the fight against the deadly disease but heard some scorching criticism of his efforts.

Demonstrators from the activist group ACT-UP accused Mr. Clinton of doing less than he promised about the disease, which has killed 204,000 Americans. A 19-year-old protester shouted at the president: "We should have never trusted you. You are doing nothing while we die."

Mr. Clinton listened impassively, his elbow propped on the podium, his chin in his hand. "That's O.K. It's all right," he told the stunned audience. "I'd rather have that man in here screaming at me than have him give up altogether."

The World Health Organization estimates 13 million people worldwide are infected with the human immunodeficiency virus, or HIV, which causes AIDS. It says the figure may rise to 40 million within seven years.

Some free condom-giving was official. In the Bulgarian capital, Sofia, the government distributed condoms at random in the city center. Others were handed out at hospitals, train stations and the airport.

Some countries, however, ignored AIDS

Day. One of them was Ivory Coast, among the worst-hit African nations.

"It's a problem of belief," said Marguerite Attoumou, 25, a hairdresser in the capital, Abidjan, who said she was HIV-positive. "People are not really convinced that it exists."

Her attitude mirrored official indifference. AIDS advertisements on national television stopped months ago in the West African nation of 12 million people, of whom 12 percent are infected with the virus, U.S. health officials say.

About 6 million, or nearly half the world's sufferers, are in Africa, according to the World Health Organization.

In Zaire, the national program for the fight against AIDS complained that a boycott by Western donors of the country's military dictatorship had crippled AIDS programs. It predicted that 2 million Zairians will die of AIDS in 2004.

In much of Asia — where many experts believe the epidemic could reach explosive proportions in coming years — cultural taboos have hampered open discussion about AIDS. But that is beginning to change.

In Thailand, where the flourishing sex trade helped spread the virus, public health officials offered free medical exams. A group that helps prostitutes exhibited commemorative quilts.

In the Philippines, where the government has clashed with the Roman Catholic hierarchy over AIDS prevention and family planning, thousands of people flocked to Manila's financial district for a parade and rally.

Such openness was a sharp contrast to China, where no official commemorations were reported. The Chinese government is consistently close-mouthed about AIDS, portraying it as a problem afflicting foreigners. As a consequence, the average Chinese knows little about AIDS.

In Japan, which has also tended to label

Paris Obelisk Draped With Giant Condom

Agence France-Press

PARIS — United Colors of Benetton and an organization campaigning for AIDS victims on Wednesday draped a giant pink condom over the obelisk in the Place de la Concorde here to mark World AIDS Day.

The AIDS campaigning group Act Up hired a crane to hoist the canvas condom over the obelisk. On the advice of the police, Act Up promised to remove the condom later in the day. It is 22 meters (70 feet) long and 3.5 meters wide, and weighs 35 kilograms (77 pounds).

The Italian clothes maker financed the operation but an Act Up spokesman declined to give the cost. "Benetton is paying, we are providing the message," the spokesman said.

In a recent advertising campaign, Benetton featured pictures of naked limbs stamped with the words "HIV positive." A number of AIDS activist groups, not including Act Up, sued to halt the ads, but lost. Act Up said at the time: "There is no Benetton scandal, only an AIDS scandal."

AIDS a foreign problem, celebrates handed out information to commuters in train stations.

In India, the rapid spread of AIDS has slowly overcome a traditional reluctance to talk openly about sex. On Wednesday, a major Indian newspaper for the first time printed a graphic sketch illustrating condom use.

STRIKE: Calm After Storm

Continued from Page 1

people, one seriously. But in Gaza, army commanders and leaders of the PLO's mainstream Fatah faction tried to put the lid back on the bubbling pot through a hazy agreement whose one clear focus is a commitment from each side to rein itself in. It worked on Wednesday. There were fewer soldiers on the streets than the day before, and they were less prone to draw a bead on anything that moved. And a Fatah militant faction, the Fatah Hawks, kept to itself, even though it had promised a renewed armed struggle against Israel.

Perhaps it was just a case of Gaza's following its own rhythms. Still, there was little question that both Israel and the PLO are determined not to allow persistent violence to deflect them from their real target: Working out the final difficult details of their agreement to bring about Palestinian rule in Israeli-occupied territories, starting Dec. 13 in the Gaza Strip and the West Bank town of Jericho.

That point was underlined by Prime Minister Yitzhak Rabin on Wednesday. "We live in a very sensitive period," he said on a visit to Brussels, "a period in which both sides have to have strong nerves to overcome the obstacles to focus on the completion of negotiations."

Similar words came from Fatah leaders. Palestinians' belief that peace is possible has also been strained, they said, by high casualty counts like that on Tuesday and by Israel's pursuit of Fatah Hawks for old killings, an action regarded here as a provocative true violation.



A Palestinian woman wearing a Fatah Hawks camouflage jacket being comforted by friends Wednesday as she mourned the death of her son, a Fatah Hawk fighter who was killed by Israeli soldiers.

CAIRO: Chaotic Traffic

Continued from Page 1

vehicles. "People don't pay attention," he said. "But I hate the minibuses drivers. They don't have licenses. They don't know how to drive. They stop in the middle of the road. Sometimes I hit them."

Pedestrians, who thread their way by foot through vast squares and circles, are the most vulnerable. Figures compiled by the Government Bureau of Statistics, which are three years old, reported 659 pedestrians killed a year in the capital, and 5,685 injured.

But perhaps the real victims of Cairo's anarchic highways are the traffic police. Burdened by excessive lead levels from the grimy, polluted air, varicose veins and poor pay, which makes them susceptible to bribes, they are the object of derision and scorn.

"Drivers don't even acknowledge us when we try to enforce the law, especially the rich ones in Mercedes," said Ashraf Gomaa, 21, a traffic policeman on Mohammed Mazhar Street. "We stand here for eight hours. We earn nothing. And in the end we are insulted."

Brigadier Magdi Ghattas, the traffic director for three Cairo districts, including Ramses Square, the busiest in the city, stood next to his blue Fiat patrol car. On the other side of the square cars jammed their way toward the cavernous train station. The concrete overpass shook and groaned from the weight of vehicles.

More than a million people arrive each day at the train station, disgorged from about 300 trains. Buses drop off an additional 12,000. And some 2 million pedestrians navigate through the square from sunrise to sunset.

"We have to try and teach all these people to obey the rules," he said with a sigh.

As he spoke, several riot police officers, specially brought in for Traffic Week, held back a throng of pedestrians who in happier times would have flooded onto the street.

"Grab him!" an officer yelled to one of the men, who quickly colored a young man trying to dive into the traffic.

The spluttering from the exhaust, the screech of brakes, the rumble of buses and the constant horn blasts leave many police officers with pounding headaches.

Some have developed a personal vendetta against drivers who weave their way through the city with one hand pressed into the horn.

"I can't stand the horns," Brigadier Ghattas said. "I give out 50 tickets a day for excessive horn blowing."

Yemeni Captors Free U.S. Diplomat

The Associated Press

SANA, Yemen — A kidnapped American diplomat was freed by his Yemeni captors on Wednesday, two days after an earlier agreement to release him collapsed.

Haynes R. Mahoney was released at 10 P.M. and was en route to Sana, the capital, from the kidnappers' desert stronghold near the Saudi border. Interior Minister Yahya Mutawakkil said.

Mr. Mahoney, 44, was kidnapped by five gunmen last Thursday after he left a reception at a hotel in Sana and was on his way to attend a Thanksgiving dinner at a friend's home.

Negotiations to release him had resumed Tuesday, a day after an unspecified last-minute snag scuttled an agreement.

The interior minister said Mr. Mahoney was released "through the efforts exerted by influential sheikhs in the region who had insisted that the government should not conduct any military operation to release the kidnapped man."

An estimated 300 soldiers, backed by six tanks and two helicopters, were deployed near the kidnappers' tribal stronghold in the desert about 45 miles northeast of Sana.

A Yemeni journalist who was

For the Slothful, One More Reason Not to Exercise

Reuters

BOSTON — Medical researchers in the United States and Germany say that sudden, strenuous exercise heightens the risk of heart attacks, especially for people who work out infrequently.

The U.S. researchers calculated that for the infrequent exerciser, heavy exertion produced a 100-fold jump in the risk that a workout would bring on a heart attack. But among people who exercised four or five times a week, the extra risk was only twice as high.

"Although regular exercise has important health benefits over the long term, sudden, vigorous exertion by people who are unaccustomed to it can sometimes end in tragedy," said Dr. Gregory Curfman, deputy editor of the journal.

To put the findings in perspective, the U.S. team, led by Murray Mittleman of Deaconess Hospital in Boston, noted that an earlier study had found that a nonsmoking 50-year-old man has a one-in-a-million chance of suffering a heart attack during any particular hour. But an infrequent exerciser who engages in heavy exertion increases his risk to about 1 in 9,000.

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EUROPEAN TOPICS

Is Playing in the Band Worth Hazard Pay?

Hazardous duty pay for symphony orchestra musicians? It may not be such a ridiculous idea.

Düsseldorf University scientists, in a survey of 100 professional musicians in that city and Berlin, found that 75 percent complained of orthopedic problems, 23 percent of eye problems, 12 percent of nervous disorders and 11 percent of headaches, the weekly focus says.

Complaints vary, not surprisingly, by instrument, ranging from "tuba lips" to "bassoonist's finger" and "harpsichord's strap." The unnatural positions some musicians must assume — such as use of the chin to hold a violin — can lead to misaligned vertebrae. And horn players' teeth sometimes shift.

Experts recommend exercise and suggest that orchestras should provide ergonomically designed chairs (though managers resist, saying the most impor-

Around Europe

Inhabitants of the Moravian village of Slavkov are hotly debating changing the town's name to one with a more historic ring — Slavkov-Austerlitz, incorporating its former German name. It was near here that on this day in 1805, Napoleon, in a brilliant victory, defeated a combined Austrian and Russian Army. Those who favor a name change say it would raise the town's profile and bring a needed boost in tourism. But opponents say the name Austerlitz has an unwelcome ring at a time when German businessmen are "invading" the Czech Republic.

Cases of counterfeiting have risen tenfold in Germany in only three years, federal officials say. Most of the fakes come from increasingly sophisticated gangs based in Italy and Poland. Authorities are calling for stepped-

Overheard Tuesday morning at Paris's Orly Airport, where flights had been grounded by ice:

Woman: "I can't believe this is happening to me, the day before my daughter's marriage. Do something, Jean-Louis! Don't just sit there reading your paper!"
Man: "Calm down, now. It's not exactly my fault if the planes aren't taking off."
Woman: "Oh, you! Nothing is ever your fault!"
Brian Knowlton

Bicycling Muscle For the President

Reuters

WASHINGTON — Bodyguards on bicycles have joined President Bill Clinton on his morning jogs but the Secret Service on Wednesday declined to say why.

Since Monday, the president's jogging contingent has included the bicycling agents, who usually ride far ahead of Mr. Clinton, apparently scouting out the area.

He usually runs three to four miles (5 to 6 kilometers). Typically, about six armed agents and a military aide run alongside while several more armed agents ride behind the president in a motorcade.

WELFARE: Next Economic Pain for Europe? Safety Nets Under Fire

Continued from Page 1

doing it," said Prime Minister Gro Harlem Brundtland.

She also notes that her government has been able to cut payroll taxes.

Elsewhere in Europe, politicians are trapped between recession-sapped tax receipts, social welfare programs whose costs have mushroomed and an electorate that has come to view the benefits of those programs as part of their rights.

But one of the most powerful arguments now being brought to

bear against the welfare state is that it costs not just cash but jobs.

"Europe is afraid to touch its welfare system and as long as it doesn't it will not be able to overcome its problem of unemployment," said Karel Lanoo, a researcher at the Center for European Policy Studies, in Brussels.

More and more economists see links between Europe's expensive social welfare systems and a host of economic failings. In the last decade, they say, Europe has created about one-third as many net new

jobs as were created in the smaller U.S. labor market. In addition, Europe's long-term unemployed make up more than half the jobless total, compared with 6 percent in the United States.

Social costs — payments for everything from maternity leave to pensions — equal roughly half the cost of employing workers in such countries as Italy and Germany. For employers of lower paid workers at entry level positions or in unskilled areas, these costs represent an even heavier burden.

One solution of increasing interest to governments would shift the financial burden away from employers to taxpayers.

Some experts argue that by moving more of the funding to things like energy taxes, the public's awareness of the huge cost of programs would rise, making it easier for politicians to sell voters on the need for reform.

"It might be better to shift social security costs away from labor, which you want to create more of, and onto something like energy, which you want to use less of," said Paul Gregg, senior research officer at the National Institute for Social and Economic Research, in London.

European governments also impose high costs on their companies in the form of benefits, such as generous vacation schedules.

To sidestep these sorts of problems, governments are increasingly toying with the idea of a two-tier labor market, in which employers could avoid paying social costs for some types of workers.

"If you don't want to scrap your social security systems and all its benefits, you can move to a secondary economy akin to the black economy in Italy," said Mr. Gregg.

In Italy, smaller companies have long talked at paying that country's huge social costs and instead

done business off the books. In France, in an effort to tackle high youth unemployment, the government said it would pick up much of the tab for hiring people in that age group. Germans have debated the creation of a new class of worker entitled to fewer social benefits.

The problem with such experts' fear that the second, cheaper level inevitably takes jobs away from the other tier.

Similar fears have long stymied attempts to create more jobs for unskilled or young workers by lowering or even suspending minimum wage regulations.

Norbert Walter, chief economist at Deutsche Bank, argues that a lower minimum wage would not be enough.

"The very fact that social benefits are so high and so easy to get would cause low skilled workers out to work," Mr. Walter said. He and many others recommend a curbing of unemployment benefits.

In much of Europe, unemployment payments equal about two-thirds of an employee's working income and can be extended for long periods. Labor market experts say that system is not only costly but that it fosters long-term unemployment.

The British government, long Europe's least generous when it comes to social welfare payments, is reportedly weighing a halving of the time the jobless are entitled to collect unemployment benefits to six months. Experts predict, however, that the step will do little to stem the rise in that country's social security budget.

NEXT: Of all the electoral promises made by European postwar governments, none has come back to haunt political leaders like the pledge of generous state-backed retirement plans.

A Combat Role for Women at Sea

The Associated Press

WASHINGTON — The navy plans to put hundreds of female sailors on aircraft carriers in 1994 in the first major U.S. deployment of women on combat vessels. Navy Secretary John Dalton said Wednesday.

Mr. Dalton, in an interview with defense writers, said plans called for putting 400 to 500 women on several of the huge warships over the coming year. The navy plans to make slacks standard attire for its female sailors on all ships, allowing skirts to be worn only for ceremonial or formal events.

Legislation lifting the ban on women serving aboard combat vessels was signed Tuesday by President Bill Clinton.

"We have been in the process of over a long period of time working through this issue and dealing with it in an effective and professional way and we'll continue that into the future as women go aboard combat vessels," he said.

ULSTER: Keeping Up Momentum

Continued from Page 1

Sinn Féin, the political wing of the IRA. The government suggested holding the talks in Scotland or Scandinavia, it said.

The intent behind the statement appeared to be to embarrass the British government and weaken its ties to the Ulsterists by sowing suspicion that moves toward negotiations had gone quite far.

The Irish approach was formu-

lated by six principles for peace that were drafted by Foreign Minister Dick Spring and presented to the Irish parliament in October. The principles were presented to Mr. Major by Mr. Reynolds but not endorsed.

Meanwhile, the Irish Times reported that President Bill Clinton had "intervened" on behalf of Ireland by phoning Mr. Major a week ago and urging him to "go the extra mile" to achieve a settlement.

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HEALTH/SCIENCE

Does Man Need a Room With A View?

A Theory Suggests Urban Life Harms The Human Psyche

By William K. Stevens

NEW YORK — Can humans be truly human and truly fulfilled in a world of glass and concrete set apart from nature...

The hypothesis is still just that, and scientists' efforts to test it are still at an early stage. The term biophilia was coined in a 1984 book...

While biophilia is important to the human psyche, scientists who are investigating it say, the characteristic becomes fragile in an urban setting...

Human Ways of Looking at the World

The biophilia hypothesis suggests the existence of nine basic human values, which theoreticians call 'fundamental aspects of the human species'...

Table with 3 columns: TERM, DEFINITION, FUNCTION. Lists values like Utilitarian, Naturalistic, Ecological, etc.

The living world, Dr. Wilson wrote in 1984, is "the matrix in which the human mind originated and is permanently rooted."

Advantages also came from learning easily to recognize the desirability of partly open spaces with scattered trees and water as friendly, secure places to live...

Dr. Wilson lumps both the positive and the negative responses under the rubric of biophilia because, he says, objects of phobias like spiders, snakes and wolves evoke fascination and awe as well as fear.

DNA Used to Fight Skin Cancer

By Natalie Angier

NEW YORK — The injection of new genes directly into a patient's tumor tissue is a safe procedure that can help impel the immune system to destroy the malignancy...

Wednesday in The Proceedings of the National Academy of Sciences. They found that when they injected DNA into the tumors of five patients with advanced skin cancer...

In previous gene therapy experiments, researchers have used deactivated viruses to deliver new DNA to patients' tissues. But that method is risky because the altered cargo viruses could become reactivated and virulent...

A New Wave of Drugs for Epilepsy

By Warren E. Leary

WASHINGTON — After a 15-year lull in new medications to control seizures, the treatment of epilepsy is entering a possible renaissance with the imminent approval of a new wave of anticonvulsant drugs...

There has been a resurgence of interest in the surgical relief of epilepsy in recent years for cases that do not respond to drug treatment. Surgery to remove damaged brain areas is an alternative for hundreds of patients annually...

Brain cells communicate with one another and with other cells of the nervous system through rapid electrochemical signals. Damage to one spot in the brain can cause an electrical malfunction that touches off uncontrolled and excessive discharges that spread to normal parts of the brain...

An Alternative Look at Natural Selection

By David Brown

WASHINGTON — More than 130 years after Charles Darwin published "The Origin of Species," medicine is beginning to make practical use of the theory of evolution...

medical practitioners and researchers view the human species. Though medical therapies (in most cases) are constructed from the data of biology, medicine in general pays little attention to what is probably the single most important concept in biology: the theory of evolution...

Whether treatment is the surgical removal of an inflamed appendix, the use of aspirin to lower a fever, the prescription of cholesterol-reducing drugs, or virtually any other therapeutic "intervention," medicine attempts to produce a better outcome than might occur if nature were left to run its course...

In brief, natural selection works this way: Occasionally, anatomical or physiological variations arise in individual animals. (Though Darwin and Wallace didn't know what caused these random variations, modern biology has proved they are the product of mutations in genes.) Most of these "mistakes" are harmful. Occasionally, however, one is beneficial, allowing the individual to better compete with its neighbors for food and shelter...

IN BRIEF

Doctors' Panel Urges Access to Implants

WASHINGTON (NYT) — The American Medical Association says that until silicone gel breast implants are proved harmful, all women should be able to get them for cosmetic reasons or for breast reconstruction after surgery...

The Family Tree of the Guinea Pig

NEW YORK (NYT) — Scientists have found fossils of the earliest known rodents in South America. The 34-million-year-old remains not only provide evidence that the ancestors of the guinea pig reached the continent 10 million years earlier than was previously estimated...

Mother's Age Linked To Low Birth Weight

CHICAGO (AP) — Women who put off having their first child face a higher risk of delivering babies prematurely and dangerously small, a new study has found. Previous studies have yielded conflicting evidence on the matter, said researchers reporting the new findings in The Journal of the American Medical Association...

BOOKS

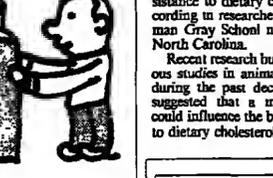
INVENTING LEONARDO By A. Richard Turner. Illustrated. 268 pages. \$27.50. Alfred A. Knopf.

Reviewed by Michiko Kakutani In 1869, more than four centuries after the birth of Leonardo da Vinci, the English critic Walter Pater immortalized Leonardo's master as "Mona Lisa" with these words: "She is older than the rocks among which she sits; like the vampire, she has been dead many times, and learned the secrets of the grave; and has been a diver in deep seas...

It is Turner's thesis — eloquently laid out in "Inventing Leonardo" — that such interpretations of Leonardo's work have inevitably shaped our sense of Leonardo the man. Turner proposes to show the reader how successive generations of scholars have reinvented Leonardo in their own images, turning him into a mirror of changing cultural values and shifting theories of creativity...

WHAT THEY'RE READING

Glenn Ferguson, president of the American University of Paris and former U.S. ambassador to Kenya, is reading "Fremont" by David McCullough. "I like to read the longest book available." [Ed.'s note: 1,117 pages.] (Ilsa Gersten, IHT)



BRIDGE

By Alan Truscott IF the diagrammed deal seems confusing, be patient. The weird-looking bidding was the result of an artificial Italian system. The one-diamond opening bid by North was strong and artificial, and the one-spade response showed that South had exactly one king and no ace. North showed a powerful spade suit, and then jumped to slam in the hope that South's hearts were relatively strong. The heart king was a virtual certainty, and he hoped that the queen was in support.

low trump from any holding. However, the jack would have proved right if the South hand had held a singleton and West Q-x-x.

Bridge hand diagram showing North (D) and South (S) cards in Spades, Hearts, Diamonds, and Clubs. Includes bidding sequence and analysis.

On December 9, the IHT will publish an Advertising Section on

EUROPEAN ECONOMIC REVIEW. Among the topics to be covered are: Regions — Their new role in Europe's economic strategy. Telecommunications — Europe's fastest growing major industry. Television — far from a single market. Competition — How can mature industries increase market share. Conversion — Transforming heavy-industry region into areas for high-tech growth.



For VW, a Long Road in China Leads to Success

By Steven Brill

International Herald Tribune

SHANGHAI — Volkswagen AG has had a bumpy ride to its precarious position at the top of China's auto market. Executives of Europe's leading carmaker said they got there by listening to a special customer: the backseat driver.

In China, the most important person is sitting in the back," said Bernd E. Farny, technical director for VW's China arm, Shanghai VW.

That is because relatively few people in China have a driver's license, and cars are bought mostly by corporate or government bigwigs who always ride in the back.

At Shanghai VW, car designers have added an extra foot (30 centimeters) of legroom

in the back passenger compartment of next year's model. In the West, designers assume the driver is the most important occupant, and provide accordingly.

Redesigning the passenger compartment was just one challenge for Shanghai VW. En route to outmaneuvering the Japanese, Americans and French to become the most successful foreign carmaker in China, it has had to overhaul its operating procedures.

"You have to behave within the constraints of the system," said Mr. Farny. "It's not easy, nor without blood, sweat and tears. But in the end it's possible to be profitable."

Beijing decided to open its car market to VW, Chrysler Corp., PSA Peugeot Citroen SA and five other companies beginning in

1978. The goal was to attract foreign capital and technology that would modernize a sector still several decades behind the times.

In return, the government erected protectionist barriers on imports that total 245 percent to 300 percent.

But the foreign companies, limited to

Third of a series.

forming joint ventures, are required to work in an environment that remains subject to heavy government intervention, despite Beijing's recent commitment to accelerate the transition to a market economy.

A company, for example, is not completely free to choose whom to hire, nor which suppliers to buy from. Nor can it

install the most automated production lines, lest workers be displaced.

It took seven years of negotiations before VW could begin production in 1985. By then, however, the Santana model it assembles was out of date; it is even more so now.

Still, the vehicle has become China's most popular make, with an upscale image. It accounts for nearly 40 percent of all passenger cars made by foreign joint ventures in China.

A limited choice of suppliers is another hindrance. The government mandates annual increases in local content, and VW says its ratio has risen to 82 percent.

"In Germany, we can press suppliers to cut their prices," Mr. Farny said. "But here

we are happy to have one, and the supplier knows this."

VW's fortunes in China stand in stark contrast to its bad luck in the United States, where dwindling market share led it to cease local production, and in Europe, where slumping sales have forced it to adopt a four-day work week.

Education has been an important part of VW's good showing in China. Borrowing concepts from the apprentice system common in Germany, VW gives workers four weeks of training before letting them practice on the assembly line. More than 1,000 senior engineers have spent one to six months in VW's plants in Germany. Tongji University in Shanghai has helped out.

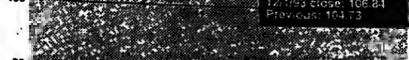
See VW, Page 15

THE TRIB INDEX: 106.84

International Herald Tribune World Stock Index, composed of 280 internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



World Index: 12,143 close, 106.84. Previous: 104.73.



Asia Pacific: Approx. weighting: 32%. Close: 115.56. Prev.: 108.35.



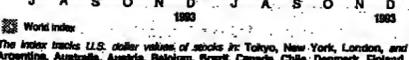
Europe: Approx. weighting: 57%. Close: 107.74. Prev.: 107.31.



North America: Approx. weighting: 20%. Close: 108.98. Prev.: 108.98.



Latin America: Approx. weighting: 5%. Close: 105.10. Prev.: 105.10.



World Index: The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major markets.

Industrial Sectors: Energy, Utilities, Finance, Services, Capital Goods, New Materials, Consumer Goods, Miscellaneous.

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92221 Neuilly Cedex, France.

Stocks Cheered by British Budget

London Hits Record After Modest Tax Rise Unveiled

By Erik Ipsen

International Herald Tribune

LONDON — Relieved by the smaller-than-expected tax bite in the chancellor of the Exchequer's budget, investors stampeded into the London equity market Wednesday, pushing stocks to a record high.

The Financial Times-Stock Exchange index of 100 leading shares, which soared as much as 83 points during the day, closed 66 points higher, at 3,253 — a gain of 2.09 percent, and the first time it closed above 3,200 points. Shares in other European markets also jumped, boosted by hopes for lower interest rates.

Following the speech, we said

that the market could go up by 100 points," said Peter Lyon, equity strategist for Smith New Court. "But to be honest, we are surprised that two-thirds of that has happened in one day."

Bond markets also reacted strongly to Chancellor Kenneth Clarke's stronger-than-expected attack on government borrowing. Gilt surged as long-term interest rates fell by half a percentage point. The benchmark 9 percent gilt due 2008 climbed 1 5/32 point, to 121 1/32, cutting its yield to 6.73 percent from 6.84 percent.

Adam Cole, an economist at James Capel & Co., described the

budget as merely "good," but noted that it far exceeded market expectations. Many investors had feared that Mr. Clarke would hit the self-recovering British economy with sharp tax increases. Possible extensions of the value-added tax to magazines and even food had been widely feared. Particularly worrisome for the stock market were reports the chancellor would levy new taxes on dividends paid to pension funds, the largest investors in the market.

"The market was psychologically prepared for the worst," said Mr. Lyon. What it got was a deep, £18 billion (\$27 billion), gouging of the expected fiscal deficit by 1997. For

next year, the chancellor slapped £1.7 billion of new taxes mostly on consumers, while he committed himself to spending cuts of a £3.6 billion.

It was the nature of those spending cuts that gave some observers pause. "The cuts are matched almost exactly by a £3.5 billion reduction in contingency reserves," said David Hillier, an economist at NatWest Markets. Without that cushion experts warned that the government could overshoot its spending plans and have nothing to fall back on. The biggest question mark hangs over the willingness of public-sector workers to abide by

See BRITAIN, Page 15

In Tokyo, the Government Talks Up Share Prices

By James Sterngold

New York Times Service

TOKYO — With the government suddenly realizing what a balm optimistic rhetoric can be for a spooked stock market, officials offered promises for a second straight day Wednesday that they would take strong steps to end the recession, which sent share prices soaring.

Reversing the recent string of market plunges, share prices took off and ran upward throughout the afternoon. The closely watched Nikkei 225-stock index gained

718.77 points, or 4.4 percent, to close at 17,125.31.

The broader Topix index of all shares on the Tokyo Stock Exchange's first section gained 69.81 points, or 5.08 percent, to 1,443.87.

The sharp rise marked the first big gain the market has enjoyed in more than a month, and followed modest gains on Tuesday.

But even with the two-day rally, the market is still well below the level it stood at just two weeks ago and analysts said they were not yet convinced that the worst is past.

"They're doing well by jawboning the market, but that won't work for too long," said Geoffrey Barker, head of research here for Baring Securities. "It's too early to say it's blue skies from here."

The economy is in the grip of a two-year-old recession and signs began to emerge in recent weeks that it is further from a recovery than expected.

Those worries helped push the stock market lower, along with concerns that the government of Prime Minister Morihiro Ho-

sokawa, who was elected in August, was far more interested in rooting out political corruption than tending the economy.

Mr. Hosokawa and his cabinet had insisted that they would let the market sort out its own problems, but in Japan, which has a long tradition of relying on the government to maintain a healthy economy and markets, that attitude was criticized harshly.

The Yomiuri Shimbun, one of the country's largest daily newspapers, said the government should

look ahead, economists said growth could hit a rate of 4.2 percent or more in the fourth quarter, reflecting brisk demand for autos, housing and other goods and services.

The fourth quarter also should be helped by a rebound from the effects of the flood in the Midwest states this summer and the drought in the Southeast. The department said these factors reduced third-quarter growth by six-tenths of a percentage point.

Inflation remained restrained, as the GDP's fixed-weight measure of price in-

creases rose at an annual rate of 2.2 percent, compared with the 2.1 percent pace estimated at the end of October.

Meanwhile, the National Association of Purchasing Management said in a survey released Wednesday that the manufacturing sector expanded in November for the second consecutive month amid a rash of new orders.

The association's monthly index registered a strong 55.7 percent last month, up from 53.8 percent in October.

(Reuters, AP)

INTERNATIONAL MANAGER

Kodak Takes On the Future

By Ben Dobbin

The Associated Press

ROCHESTER, New York — Eastman Kodak Co. is facing the most crucial transition in its history: How to incorporate new electronic technologies that threaten the very future of chemical imaging. The bulk of Kodak's profit still comes from silver halide-based photographic products.

Hampered by Japanese competition in recent years, the once-untouchable giant has had to scramble to find new, marketable products to fatten its rapidly thinning profit margins.

"Companies have to aggressively embrace the technology franchise or they risk getting blown away," said Nicholas Heymann, an analyst who follows Kodak for NatWest Securities.

Kodak also faces the conundrum of how to shift into new technologies without gutting its cash cow — chemical imaging.

To guide it through the "information revolution" — the vast growth in the availability of information made possible by the computer and communications technology — Kodak is placing George M. C. Fisher at the wheel.

Mr. Fisher, 52, transformed Motorola Inc. into a world leader in two of the most competitive industries of the 1990s: computer chips and cellular telephones. Kodak investors and analysts are hailing Mr. Fisher, the first outsider to lead the company since its founding in 1881, as a messiah.

"I'm confident he will take them in directions they wouldn't have gone," said Edward Titebaum, a professor of electrical engineering at the University of Rochester. "There are risks involved, but Kodak can become a major player in the information technology field."

He added: "In the old days, they ran a 30 percent profit margin, so it really didn't matter if the left hand didn't know what the right hand was

doing. They're working to become a leaner and more effective company."

Kodak is cutting another 10,000 jobs worldwide to trim payrolls to 120,000 by 1996. Mr. Fisher says no job cuts are foreseen after that.

In the first nine months of 1993, Kodak had a loss of \$1.72 billion on revenue of \$11.88 billion, largely due to one-time charges for restructuring and changes in accounting methods, compared with a profit of \$847 million on revenue of \$12.06 billion in the same period in 1992.

What does electronic imaging hold in store? Picture this: You call the photo processor, jack your camera into a fiber optic-linked phone and, within seconds, your pictures are digitally stored. Sent back to you by fax, they can also be pulled up on your high-definition, 500-channel television or printed out on a magazine-quality thermal printer.

John Larish, a consultant and writer on electronic photography, said, "People have a hard time visualizing this type of a future, which is limited only by the imagination." But for the average consumer, it is only a few years away. Analysts estimate that electronic imaging is already a \$1 billion-a-year industry, although it is now mostly used commercially in advertising and desktop publishing. Once amateurs join the market, they say, the market could quadruple in size by 2000.

Instead of storing pictures in albums, people will be able to view them on compact-disc systems that can be programmed to, for example, scan only photos of your nephew playing soccer.

Kodak has won wide praise for its array of digital imaging products, notably its Photo CD system, digital cameras and CCD (charge-coupled device) chips used in camcorders.

"Kodak has all the pieces in place," is a question of putting them together," Mr. Larish said. Critics say technological substitution is eating at Kodak markets in every sector from health care to imaging.

Bundesbank Baffles Markets

By Brandon Mitchener

International Herald Tribune

FRANKFURT — For months, analysts have been predicting the Bundesbank would cut German interest rates in December. But with only two possible dates left in the year, they are divided over whether the cut will come Thursday or two weeks later.

"We expect them to cut the discount rate Thursday, but we'd be just as happy if they did it in two weeks," said Peter Müller, an economist at Commerzbank AG.

Irgreen Rust, an analyst at WestLB in Düsseldorf, placed her bet on Dec. 16, the date of the Bundesbank's last council meeting, after which the German central bank is expected to announce its money supply target for 1994.

"Interest rates are high compared to inflation," she said. "Even the Bundesbank has noted the trend toward lower prices."

The Bundesbank last cut its official interest rates on Oct. 22, when the discount, the cheapest rate on loans to banks, was trimmed to 5.75 percent from 6.25 percent. The Lombard, its ceiling rate, was likewise cut to 6.75 percent from 7.25 percent.

The Bundesbank said Wednesday it did not intend to hold a press conference after its council meeting on Thursday. Such meetings are normally held twice a month.

Nevertheless, many economists including Mr. Müller, predicted an interest rate cut for both psychological and strategic reasons.

"It's obvious the Bundesbank is

going to miss its money supply target for 1993," he said. "Psychologically, that's a bad time to cut your interest rates."

The Bundesbank's broad money-supply barometer, M-3, expanded 6.8 percent in October, making it unlikely it would be able to meet its 1993 target range of 4.5 to 6.5 percent growth. The target for 1994 is widely expected to be set at 4 to 6 percent, in keeping with the Bundesbank's stated goal of braking inflation.

Strategically, it makes more sense for the Bundesbank to defuse

speculation of an interest rate cut at its last meeting of the year by staging a preemptive strike, said Mr. Müller.

The Bundesbank rate cut on Oct. 22 caught markets by surprise because speculative attention had been focused on the next meeting on Nov. 4.

Expectations of an eighth interest rate cut this year stem from the widely held belief that German inflation is slowing and will continue to do so next year as the weakness of the German economy dampens wage demands.

Hans Tietmeyer, the president of the Bundesbank, said Tuesday the independent central bank would resist "siren songs" demanding a politically motivated move on interest rates. At the same time, however, he said the Bundesbank would continue to weigh any potential for lower interest rates "which is in step with the goal of monetary stability."

Meanwhile, the German Economics Ministry reported that West German industrial output fell 0.4 percent in October from September, but it revised its September monthly data to show an unchanged figure after reporting a drop of 2 percent earlier.

Economists said the data confirmed that West German industrial output was bumping along at the bottom since the beginning of the third quarter after bottoming out in the second quarter.

Deutsche Bank Surrenders to The Customer

International Herald Tribune

FRANKFURT — It's safe to talk to your banker again, Germans discovered Wednesday. For the first time since July 1990, Deutsche Bank AG, the country's biggest, stopped charging its clients a transaction fee for checking account withdrawals and deposits performed by its tellers.

Banks argued that teller transactions were expensive and that the fees were an incentive to customers to use automatic tellers, use of which was free. Consumer advocates said the fees were proof that the banks that charged them were badly managed. On Tuesday, the German Supreme Court sided with the consumers.

The first German bank to assess the fees, Deutsche Bank was among the first to stop. "We are waiving the fee effective immediately," it said, with no further explanation.

Deutsche Bank charged its checking account customers 1.20 Deutsche marks (70 U.S. cents) for every withdrawal and deposit made at its counters.

CURRENCY & INTEREST RATES

Cross Rates		Eurocurrency Deposits		Key Money Rates	
Dec. 1	Dec. 1	Dec. 1	Dec. 1	Dec. 1	Dec. 1
American \$	1.725	3-month	5.75%	3-month	5.75%
British £	1.525	6-month	5.75%	6-month	5.75%
French F	6.550	1-year	5.75%	1-year	5.75%
German M	1.365	3-month	5.75%	3-month	5.75%
Japanese Y	160.000	6-month	5.75%	6-month	5.75%
Swiss S	1.480	1-year	5.75%	1-year	5.75%
Italian L	1.365	3-month	5.75%	3-month	5.75%
Spanish P	166.667	6-month	5.75%	6-month	5.75%
Portuguese Esc	200.000	1-year	5.75%	1-year	5.75%
Belgian B	36.364	3-month	5.75%	3-month	5.75%
Dutch G	1.365	6-month	5.75%	6-month	5.75%
Australian A	1.525	1-year	5.75%	1-year	5.75%
Canadian C	1.365	3-month	5.75%	3-month	5.75%
South African R	13.260	6-month	5.75%	6-month	5.75%
Indian Rupee	47.820	1-year	5.75%	1-year	5.75%
Thai Baht	50.000	3-month	5.75%	3-month	5.75%
Malaysian M	3.760	6-month	5.75%	6-month	5.75%
Singapore S	1.365	1-year	5.75%	1-year	5.75%
Philippine P	48.148	3-month	5.75%	3-month	5.75%
Indonesian Rp	1,576.923	6-month	5.75%	6-month	5.75%
Malay M	3.760	1-year	5.75%	1-year	5.75%
Brunei B	1.365	3-month	5.75%	3-month	5.75%
East German M	1.365	6-month	5.75%	6-month	5.75%
West German M	1.365	1-year	5.75%	1-year	5.75%

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AMSTERDAM DEPOSITORY COMPANY N.V.

Amsterdam, November 30, 1993.

MARKET DIARY

Overseas Markets Boost Wall Street

NEW YORK — Stock prices advanced Wednesday on the New York Stock Exchange on the heels of rallies in overseas equity markets and a decline in U.S. interest rates.

N.Y. Stocks

NEW YORK — Stock prices advanced Wednesday on the New York Stock Exchange on the heels of rallies in overseas equity markets and a decline in U.S. interest rates.

The Dow Jones industrial average, which rose as much as 27.66 points, ended at 3,697.08, up 13.13.

Rising stocks on the New York Stock Exchange outnumbered declines by a 10-to-7 ratio. The Nasdaq Composite Index jumped 9.40 points, to 763.80.

German Rate Jitters Give Dollar a Boost

NEW YORK — The dollar firmed against the mark on Wednesday after breaking through the key resistance level of 1.7200 DM amid speculation the Bundesbank might cut rates at its Thursday council meeting.

Foreign Exchange

on Wednesday, up solidly from a close on Tuesday at 1.7150 DM. "I wouldn't for a moment rule out a cut in the German discount rate tomorrow," said Peter Luxton, an economist at Barclays Bank.

At the same time, dealers said that the dollar was likely to roode Thursday if the Bundesbank does not take action and they expect the dollar had registered only a lukewarm reaction to a recent series of bullish U.S. economic data.

ers had been expecting even better results. The benchmark 30-year U.S. Treasury issue yielded 6.27 percent, down from 6.31 percent Tuesday.

Construction spending rose 2.5 percent, the government reported, and that was above predictions of 1 percent. "It looks like we're getting a very slow, orderly recovery without having to worry about inflation and that's very bullish for stock prices," said Robert L. Kahn, manager of equity trading for Montgomery Securities Inc.

Among the most-active issues, General Motors was up 1/8, to \$34. Clayton Dubilier & Rice Inc., which manages a pool of equity capital, announced the purchase of the Allison Gas Turbine Division from GM for about \$310 million.

On the American Stock Exchange, gold-mining stocks rose following a gain of more than \$4 in gold prices in New York. Royal Gold Mines was up 1/4 to 4 1/2, while Echo Bay was up 1/2 to 11 1/2.

On the over-the-counter market, Intel Corp. rose 1/8 to 62 1/2. Intel and General Instrument Corp. showed off a computer modem that works through cable TV wire instead of phone lines and transmits millions of characters per second instead of thousands. General Instrument lost 1/4 to 5 3/4.

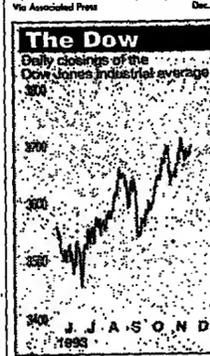
Some dealers said European central banks may have damped the dollar's rise Wednesday by selling the unit in European trading. "There was some talk the Bundesbank and other European central banks may be selling at about 1.72 marks and this helped take the dollar off its highs," said Fouji Kokko, economist at S.G. Warburg.

The dollar skidded against a rising yen, however, after Tokyo stocks surged, lifting sentiment toward the currency despite persistent economic gloom.

The dollar was quoted at 108.80 yen, down from a Tuesday close at 109.05 yen.

Against other currencies, the dollar rose to 1.5005 Swiss francs from 1.4985 francs and to 5.9450 French francs from 5.9250 francs.

The pound slipped to \$1.4780 from \$1.4865.



J. J. ASOND. 1993

Dow Jones Averages

Table with columns: Open, High, Low, Last, Change. Rows: Industrials, Transportation, Finance, Commodities, Utilities.

Standard & Poor's Indexes

Table with columns: High, Low, Close, Change. Rows: Industrials, Transportation, Finance, Commodities, Utilities.

NYSE Indexes

Table with columns: High, Low, Close, Change. Rows: Composite, Industrials, Transportation, Finance, Commodities, Utilities.

NASDAQ Indexes

Table with columns: High, Low, Close, Change. Rows: Composite, Industrials, Transportation, Finance, Commodities, Utilities.

NYSE Most Actives

Table with columns: Ticker, Vol., High, Low, Last, Chg.

AMEX Most Actives

Table with columns: Ticker, Vol., High, Low, Last, Chg.

NYSE Diary

Table with columns: Ticker, Close, Prev.

Amex Diary

Table with columns: Ticker, Close, Prev.

NASDAQ Diary

Table with columns: Ticker, Close, Prev.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close, Change.

Food

Table with columns: Ticker, High, Low, Close, Change.

Metals

Table with columns: Ticker, High, Low, Close, Change.

Stock Indexes

Table with columns: Ticker, High, Low, Close, Change.

Spot Commodities

Table with columns: Ticker, High, Low, Close, Change.

Dividends

Table with columns: Company, Per, Amt, Pay, Rec.

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U.S. FUTURES

Table with columns: Open, High, Low, Close, Chg, Outst.

Grains

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Metals

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Livestock

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Financial

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Food

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Stock Indexes

Table with columns: Ticker, High, Low, Close, Chg, Outst.

Commodity Indexes

Table with columns: Ticker, High, Low, Close, Chg, Outst.

5 Big Cable TV Operators Join Forces

ANAHEIM, California (Bloomberg) — Five top cable television system operators announced a venture Wednesday to develop a service that would send video, voice and data on nationwide fiber-optic and wireless networks.

Merck Said to Be Adding 750 Jobs

BROCKTON, Massachusetts (AP) — Merck & Co. has announced plans to close a pharmaceutical plant in Massachusetts and will instead expand the operation, adding 750 jobs, state Representative Francis G. Mara announced Wednesday.

AT&T Prepares to Cut More Jobs

NEW YORK (Combined Dispatches) — American Telephone & Telegraph Co. said Wednesday it would announce reductions in its work force in coming months, notably in its branch for long-distance services.

Posners Barred From Public Firms

NEW YORK (Bloomberg) — A federal judge barred the financier Victor Posner and his son, Steven Posner, on Wednesday from serving as officers or directors of public companies and ordered them to repay \$3.86 million they allegedly took from Fischbach Corp., one of their acquisitions.

Katy Industries CEO Steps Down

ELGIN, Illinois (Bloomberg) — Katy Industries Inc., the industrial machinery maker, said Wednesday that Jacob Saliba, 60, had retired as chief executive officer and been succeeded by John Franzen.

For the Record

Ford Motor Co.'s chairman, Alex Trotman, said Wednesday that the company expected to lose money in Europe this year, but that it would "perform substantially better" than in 1993.

Some EC Banks Back Controls

BRUSSELS — Some of Europe's central banks are still considering controls on foreign-exchange markets, although there is no consensus within the European Community on the issue, the EC Commission's treasurer said Wednesday.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and various regional indices.

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Montreal, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and various regional indices.

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Ferranti Calls In Receivers After GEC Bid Fails

Compiled by Our Staff From Dispatches
LONDON — Ferranti International PLC, the troubled British defense electronics company, said Wednesday that it had asked to be placed in receivership, after General Electric Co. of Britain dropped a takeover bid for the group.

GEC bid for Ferranti in October, offering one penny a share, or a total £10.1 million (\$15 million). Ferranti's shares were worth 80 pence in 1989 but fell sharply after it turned out that International Signal & Control of the United States, an arms exporter that Ferranti purchased in 1987, had inflated its value through fraudulent accounting.

The fraud at International Signal led to a jail sentence for the unit's chairman and ultimately sounded the death knell for Ferranti. Although Ferranti's board approved GEC's offer, several big shareholders rejected the bid. GEC withdrew, insisting it needed to win 90 percent of the shares to go ahead.

"To be honest, they were going to be cutting it fine to get the 90 percent shareholder acceptance they wanted with Mr. Katz up in arms," said an analyst at Panmure Gordon, Tressan MacCarthy. A group of disgruntled shareholders led by an investment con-

GEC Shares Fall As Profit Rises

Bloomberg Business News

LONDON — British defense spending cuts, takeover turmoil and disappointing underlying performance in the first half dragged shares in General Electric Co. sharply lower on Wednesday despite a report of better-than-expected pretax profit.

GEC shares fell 13 pence, to 315 pence in London trading. GEC made a pretax profit of £360 million (\$534.2 million) in the six months to Sept. 30, up just 1 percent from a year earlier but ahead of analysts' expectations of about £349 million.

Italy Seeks to Join the Capitalists

Small Investors Now Almost Invisible in Economy

Bloomberg Business News

MILAN — When the Italian government kicks off the sale of its stake in the bank Credito Italiano SpA on Monday, it will be seeking something new in Italian capitalism.

The government hopes to turn Credito Italiano and Banca Commerciale Italiana SpA, a state-owned bank that is due to be sold next spring, into companies that are "public" in a different sense of the word: owned by a cross-section of private investors and investment institutions, rather than by the government.

This would be something new because all the companies quoted on the Milan stock market currently are controlled by either a government entity, a family or a syndicate of a relatively small number of shareholders. And many Italian politicians and businessmen have expressed opposition to introducing this more participatory form of ownership by the public here.

Shareholder democracy of the type practiced in many other countries is "based on mechanisms that just don't exist" in Italy, according to Paul Dionne, an analyst at Pacific Securities and president of the Association for Investment Relations, a group that seeks increased corporate disclosures.

In no other country in the Group of Seven, the world's leading industrial democracies, does the government and a small number of families control as much of the economy as in Italy. At least eight of the 10 largest banks are government-controlled, as are all the telecommunications companies.

The Agnelli family alone controls companies making up more than 15 percent of the stock market's valuation — including a major retailer, an insurance company, some food groups and newspapers in addition to its

flagship holding, the automaker Fiat SpA.

Until this year's recession and drive against widespread high-level corruption, this tight control made Italy's top managers accountable to no one but themselves. It also has been blamed for the insular nature of Italy's large companies, which are less open to international influence than their British, French and German counterparts.

Shareholders' meetings, often a scene for takeover fights and arguments with manage-

ment in America, are generally dull, rubber-stamp affairs in Italy. The few investors who ask questions are usually brushed off by managers and ridiculed by the news media.

Pension funds and proxy voting by mail, which in North America and Britain enable shareholders to exercise control over management, are absent in Italy.

The government would like Credito Italiano, in which it owns a 67 percent stake, and Banca Commerciale, in which it has a 54 percent stake, to break from this pattern. That will be no easy task.

The effort to turn the banks into public companies is being led by Romano Prodi, the president of the state holding company Istit-

uto per la Ricostruzione Industriale, which holds the state's stakes in the banks and controls several other companies as well.

Italy's privatization program began last year, initially to help dig the government out of its debts and deficits. Mr. Prodi is also restructuring Italy's telecommunications industry and plans to sell it to a wide group of shareholders late next year.

His efforts to drug Italian companies toward the Anglo-American model of organization has already led to one minor government crisis, when Paolo Savona resigned as industry minister in mid-October after Prime Minister Carlo Azeglio Ciampi overruled his objections to creating public companies.

At the time, Mr. Savona said he favored the French model of privatizations, in which a group of friendly companies or shareholders is assembled to take a controlling or sizable stake in the companies being sold off. Mr. Prodi countered by saying that in Italy, that would mean selling the companies to the same group of state-run concerns and major families that already control a large chunk of the economy.

Mr. Savona was eventually persuaded to rejoin the government, but not before publicly raising the specter of the Mafia taking over Italian businesses if the government sold its companies on the open market.

Many commentators saw that as a blatant attempt to defend the privileges of political and business leaders who had felt threatened by Mr. Prodi's attempt to take large parts of the Italian economy away from their control. "I have a clear idea of what Italy needs," Mr. Prodi said recently. "It needs competition and that's what the privatizations are about."

Western shareholder democracy is "based on mechanisms that just don't exist" in Italy.

Paul Dionne, Association for Investment Relations

Investor's Europe

Country	Index	Change
London	FTSE 100 Index	+0.85
Paris	CAC 40	+0.81
Frankfurt	DAX	+0.81
Amsterdam	AEX	+0.81
Brussels	BSE	+0.81
Stockholm	OMX	+0.81
Copenhagen	NASDAQ	+0.81
Oslo	BIX	+0.81
Stockholm	OMX	+0.81
Copenhagen	NASDAQ	+0.81
Oslo	BIX	+0.81

Very briefly:

- Olivetti SPA is planning to cut 2,000 jobs at its factories in Italy, according to trade union sources. The company refused to comment.
- Switzerland's gross domestic product fell 0.4 percent in the third quarter of 1993 from a year ago after falling 1.1 percent in the second quarter.
- Johnson Matthey PLC, the metals processor, said pretax earnings for the six months ended in September rose 5.7 percent, to £3.1 million (\$52.1 million), boosted by its materials technology division.
- Publicis SA, the French advertising agency, said it expected net profit to fall 16 percent, to 125 million French francs (\$21.1 million), citing a difficult advertising market, but the company forecast improvement in 1994.
- Newspaper Publishing PLC, publisher of Britain's Independent, said it posted a pretax loss of £486,000 in the year ended in September, after recording profit of £28,000 in the previous year. It cited professional fees of £350,000 spent on its abortive bid to buy the Observer.
- Bass PLC, the British brewer, said profit for the year ended in September rose 7.4 percent, to £508 million, and sales rose 3.5 percent, to £4.45 billion, as results improved in the second half.
- Rothmans International PLC, the tobacco company, said pretax profit rose 11.5 percent, to £233.4 million, in the six months ended in September, as sales climbed 11.5 percent, to £1.22 billion. *AFP, Bloomberg*

Report Boosts Euro Disney

Compiled by Our Staff From Dispatches
PARIS — Euro Disney SCA shares climbed 13 percent Wednesday as investors were encouraged by a report of a huge rescue package for the troubled amusement park. The French business daily La Tribune Desaffaires reported that Walt Disney Co., which owns 49 percent of Euro Disney, may be prepared to put up 3 billion francs (\$507.5 million) in loans and fresh capital if the park's creditor banks followed suit.

A Euro Disney spokesman declined to comment on the article. The company's shares jumped 4.20 francs, to 36.45, on heavy volume of 2 million shares. The shares had climbed as high as 37.10 francs at one point during the day. "It's short-covering on the report Walt Disney will put up 3 billion francs if all the banks agree," said Marc Altman, senior French equities trader at Credit Lyonnais Securities. *(Reuters, Bloomberg)*

Pearson Pays \$74 Million To Buy Extel

LONDON — Pearson PLC said Wednesday it had agreed, through its Financial Times Group unit, to buy Extel Financial Ltd. from United Newspapers PLC for £73.5 million (\$109.1 million).

The British newspaper company said it would have a gain of more than £25 million on the sale.

Extel provides financial and corporate news and information for investors and analysts. Its products include Exshare, a share-pricing service.

Extel had sales in 1992 of £34.5 million and a pretax profit, excluding pension credit, of £5.8 million before losses of £2.8 million for its financial systems division.

Thyssen Scraps Dividend After Swinging Into Loss

Compiled by Our Staff From Dispatches

DUSSELDORF — Thyssen AG, Germany's largest steelmaker, said Wednesday that it posted a loss of 994 million Deutsche marks (\$580.9 million) in the year ended Sept. 30 and had omitted its dividend.

Industry analysts said the loss, which followed a profit last year of 350 million DM and a payout of 6 DM, was higher than expected but that it came as no surprise after recent press reports had predicted major losses in Thyssen's basic steelmaking operations.

Thyssen said "very high" losses in those operations had not been offset by profits from other activities. Steel-division revenue fell 15 percent, to 10.6 billion DM. A large part of the overall loss was due to restructuring charges and compensation payments for

GATT: Talks Open on a Note of Flexibility and Hope

Continued from Page 1

theory, under which Congress cannot amend a proposed trade agreement as it votes on it.

Mr. Christopher, however, said he was "not pessimistic" about the talks, "based on the discussions I've had here today."

Mr. Kantor refused to say if he would offer concessions on the November 1992 Blair House accord between the United States and the Community, which limits farm-export subsidies. France has demanded changes in that accord in return for supporting an overall trade pact. "It is going to be very interesting, I am sure," Mr. Kantor said.

In Bonn, French and German leaders stressed their determination to bring the global trade negotiations to a successful conclusion. "I will do everything I can for an accord," Chancellor Helmut Kohl of Germany said at the end of a two-day French-German meeting.

But Mr. Kohl, who had been urged by Mr. Clinton Monday to press for an agreement, urged that "both sides of the Atlantic" come "prepared to compromise."

He indicated there were limits to the pressure Germany would put on France, saying Bonn did not want Paris to have its "back against the wall."

President Francois Mitterrand called for a "spirit of reciprocal compromise."

He added: "The fact that Germany is ready to help us find a compromise can only be positive."

But in Paris, Prime Minister Edouard Balladur struck a harsher note, saying no progress had been made in France's four main areas of concern: a new organization to supervise world trade, market access for industrial goods, exemptions aimed at protecting Europe's film and television industry, and the continuing disagreements over

NASDAQ

Wednesday's Prices
NASDAQ prices as of 4 p.m. New York time. The list compiled by the NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
17	17	IBM	3.20	7.2	13	100	170	170	170	0
18	18	Microsoft	0.00	10.0	15	100	180	180	180	0
19	19	Oracle	0.00	12.0	12	100	190	190	190	0
20	20	Sun	0.00	15.0	10	100	200	200	200	0
21	21	Intel	0.00	18.0	8	100	210	210	210	0
22	22	Motorola	0.00	20.0	7	100	220	220	220	0
23	23	Texas Instruments	0.00	22.0	6	100	230	230	230	0
24	24	Advanced Micro Devices	0.00	24.0	5	100	240	240	240	0
25	25	AMD	0.00	25.0	4	100	250	250	250	0
26	26	ATI	0.00	26.0	3	100	260	260	260	0
27	27	SGS-Thomson	0.00	27.0	2	100	270	270	270	0
28	28	SGS	0.00	28.0	1	100	280	280	280	0
29	29	SGS-Thomson	0.00	29.0	0	100	290	290	290	0
30	30	SGS-Thomson	0.00	30.0	0	100	300	300	300	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
31	31	SGS-Thomson	0.00	31.0	0	100	310	310	310	0
32	32	SGS-Thomson	0.00	32.0	0	100	320	320	320	0
33	33	SGS-Thomson	0.00	33.0	0	100	330	330	330	0
34	34	SGS-Thomson	0.00	34.0	0	100	340	340	340	0
35	35	SGS-Thomson	0.00	35.0	0	100	350	350	350	0
36	36	SGS-Thomson	0.00	36.0	0	100	360	360	360	0
37	37	SGS-Thomson	0.00	37.0	0	100	370	370	370	0
38	38	SGS-Thomson	0.00	38.0	0	100	380	380	380	0
39	39	SGS-Thomson	0.00	39.0	0	100	390	390	390	0
40	40	SGS-Thomson	0.00	40.0	0	100	400	400	400	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
41	41	SGS-Thomson	0.00	41.0	0	100	410	410	410	0
42	42	SGS-Thomson	0.00	42.0	0	100	420	420	420	0
43	43	SGS-Thomson	0.00	43.0	0	100	430	430	430	0
44	44	SGS-Thomson	0.00	44.0	0	100	440	440	440	0
45	45	SGS-Thomson	0.00	45.0	0	100	450	450	450	0
46	46	SGS-Thomson	0.00	46.0	0	100	460	460	460	0
47	47	SGS-Thomson	0.00	47.0	0	100	470	470	470	0
48	48	SGS-Thomson	0.00	48.0	0	100	480	480	480	0
49	49	SGS-Thomson	0.00	49.0	0	100	490	490	490	0
50	50	SGS-Thomson	0.00	50.0	0	100	500	500	500	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
51	51	SGS-Thomson	0.00	51.0	0	100	510	510	510	0
52	52	SGS-Thomson	0.00	52.0	0	100	520	520	520	0
53	53	SGS-Thomson	0.00	53.0	0	100	530	530	530	0
54	54	SGS-Thomson	0.00	54.0	0	100	540	540	540	0
55	55	SGS-Thomson	0.00	55.0	0	100	550	550	550	0
56	56	SGS-Thomson	0.00	56.0	0	100	560	560	560	0
57	57	SGS-Thomson	0.00	57.0	0	100	570	570	570	0
58	58	SGS-Thomson	0.00	58.0	0	100	580	580	580	0
59	59	SGS-Thomson	0.00	59.0	0	100	590	590	590	0
60	60	SGS-Thomson	0.00	60.0	0	100	600	600	600	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
61	61	SGS-Thomson	0.00	61.0	0	100	610	610	610	0
62	62	SGS-Thomson	0.00	62.0	0	100	620	620	620	0
63	63	SGS-Thomson	0.00	63.0	0	100	630	630	630	0
64	64	SGS-Thomson	0.00	64.0	0	100	640	640	640	0
65	65	SGS-Thomson	0.00	65.0	0	100	650	650	650	0
66	66	SGS-Thomson	0.00	66.0	0	100	660	660	660	0
67	67	SGS-Thomson	0.00	67.0	0	100	670	670	670	0
68	68	SGS-Thomson	0.00	68.0	0	100	680	680	680	0
69	69	SGS-Thomson	0.00	69.0	0	100	690	690	690	0
70	70	SGS-Thomson	0.00	70.0	0	100	700	700	700	0

12-Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest	Chg
71	71	SGS-Thomson	0.00	71.0	0	100	710	710	710	0
72	72	SGS-Thomson	0.00	72.0	0	100	720	720	720	0
73	73	SGS-Thomson	0.00	73.0	0	100	730	730	730	0
74	74	SGS-Thomson	0.00	74.0	0	100	740	740	740	0
75	75	SGS-Thomson	0.00	75.0	0	100	750	750	750	0
76	76	SGS-Thomson	0.00	76.0	0	100	760	760	760	0
77	77	SGS-Thomson	0.00	77.0	0	100	770	770	770	0
78	78	SGS-Thomson	0.00	78.0	0	100	780	780	780	0
79	79	SGS-Thomson	0.00	79.0	0	100	790	790	790	0
80	80	SGS-Thomson	0.00	80.0	0	100	800	800	800	0

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NYSE

Table with columns: 12 Month High/Low, Div, Yld, PE, etc. Lists various stock market data.

Table with columns: 12 Month High/Low, Div, Yld, PE, etc. Lists various stock market data.

VOLVO: Pact to Combine With Renault Teeters on Brink of Collapse

Continued from Page 1
disclose its operating profit for October, which was 460 million kroner. The figure showed that the company was recovering well and supported the opponents of the merger who say that Volvo was not fairly valued in the merger agreement signed in September. Volvo normally reports its results quarterly, not monthly.

director of the insurer Skania AB, stepped up his criticism of the deal and Volvo's board. "Gyllenhammar should resign. It is the logical conclusion of my criticism," he told the newspaper Göteborgs Posten.

Table with columns: 12 Month High/Low, Div, Yld, PE, etc. Lists various stock market data.

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INTERNATIONAL FUNDS

Dec. 1, 1993

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Large table listing various international funds with columns for fund name, currency, and other details.

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China Disclosure Details of Tax Revision Plan

AMEX

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China Discloses Details of Tax Revision Plan

Reuters
BEIJING—China on Wednesday announced the details of its biggest plan for tax changes since the Communists came to power in 1949, cutting tax rates on state companies nearly in half and aiming to raise the central government's share of total tax revenue to 60 percent from 38.6 percent.

Zhang Zhongcheng, top economist at the National Tax Administration, told an international seminar the main elements of the reform were a widely applied value-added tax, a consumption tax and a sales tax on services, as well as taxes on real estate, stocks, inheritances and donations.

The main winners under the plan are large and medium-sized state companies, which now pay a tax rate of 55 percent. Under the new plan, to take effect Jan. 1, they are to pay 33 percent, which will become the flat rate for all companies, Chinese and foreign.

Mr. Zhang said the current system was not fair and did not promote equal competition. He said rates were not uniform, the division of revenue between Beijing and the provinces was not reasonable, and the legal and enforcement systems were not sufficiently strict.

Provincial authorities have been able to rig the tax system to their benefit, some government officials have said, leaving Beijing begging for cash for its own projects. Its share of income taxes collected fell to 38.6 percent in 1992 from 57 percent in 1981.

Beijing hopes the new taxes will push the tax rate up to 60 percent. The VAT rate on most products will be 17 percent, and the consumption tax will be levied on a

dozen items, including cigarettes, liquor and gasoline.

The central government will collect 75 percent of the money raised from VAT, with the provinces getting the rest.

A sales tax of 3 percent to 5 percent will be applied to companies in the service sector, such as entertainment, food, insurance, financial and transport concerns.

The income tax will be graduated, beginning at 5 percent on salaries of 800 yuan a month and rising to a maximum of 45 percent.

ADB Chief Vows To Make Loans For Social Causes

Compiled by Our Staff From Dispatches
MANILA—The new president of the Asian Development Bank pledged Wednesday to take steps to cut costs, make loans more effective and emphasize "social development" such as education, health and population control.

Mitsuo Sato of Japan, who took office last week, also said the development bank's members agreed to increase its capital base, heading off threatened cuts in lending.

He said the United States no longer objected to the increase and said he hoped an agreement would be in place before Jan. 1.

Japan, which has the largest bloc of votes in the ADB, had been pushing for the capital increase; the United States, the second largest member, had wanted reforms to be made in the bank's operations first. (A.P. Reuters)

Reshaping Japan's Computer World

Challengers Aim at NEC Lead in Personal Computers

Reuters
TOKYO—Foreign and Japanese computer makers are massing forces for a full-scale attack on NEC Corp.'s domination of the personal computer market here.

NEC has a 53 percent share of the Japanese personal-computer market, the world's second-largest after the United States. About 2.2 million units were sold in Japan in 1992 for 552 billion yen (\$5.1 billion).

The challengers' principle weapon against NEC's stronghold is IBM Japan Inc.'s DOS/V, an operating system that allows IBM-compatible machines to use Japanese script and run the advanced business software available abroad.

The launch of DOS/V three years ago came at a difficult time, when Japan's economy was heading into a slump. But about a year ago, Compaq Computer Corp., Dell Computer Corp. and others began aggressive price cutting of DOS/V machines.

IBM Japan, a unit of International Business Machines Corp., followed the price-cut-

ters. Then, last week, it announced plans to seize a quarter of the market within four years, up from about 10 percent now.

DOS/V gives Japanese consumers a choice, at a lower price than machines made by NEC or Fujitsu Ltd., which have their own, mutually incompatible operating systems.

"Before, it had to be an NEC because PC functions were not standardized," said Makio Inui, a computer analyst at Kleinwort Benson International Inc. "There were buyers willing to pay more for NEC."

Compaq came into the market with prices that undercut competitors by half. Its sales in the third quarter were reported to have more than tripled over last year, although its market share is minor, compared with the big players.

IBM Japan has just restructured its personal-computer division, and executives were upbeat. "I expect by 1995-1997 PCs will account for at least half the hardware sales for IBM Japan," its president, Rikutaro Kitashiro, said this week. Personal computers account for only 20 percent of its hardware sales now.

IBM executives said sales have jumped 40 percent to 50 percent over last year, despite the economic slump. They attributed the strong sales to a more competitive product, better distribution channels and DOS/V.

Apple Computer Inc. has had products since 1986 that could use Japanese script and software designed for its Macintosh. It has already made inroads into the Japanese market and increased its market share to around 12 percent from 8.3 percent last year.

Fujitsu seems to be moving away from its proprietary operating system. In October, it launched personal computers using DOS/V, and last week said it would use Apple's QuickTime format for its multimedia technology. Fujitsu has about 12 percent of the market, up from 10 percent last year.

Toshiba Corp. has introduced DOS/V notebooks, and Seiko Epson Corp. has cut prices to stay in the market.

NEC remains adamant about maintaining its proprietary system and says it has no plans to launch a product using DOS/V.

Big Profit Hopes Ride on New Liquid Crystal Screens

Bloomberg Business News
TOKYO—As Japan's battered electronics companies search for new products to lift them out of their earnings mire, some think they have found the answer in a piece of technology known as the liquid crystal display screen.

Such companies as NEC Corp., Sharp Corp. and Sanyo Electric Co. are pouring money into production of LCD screens, which are used as display panels in portable computers, pocket televisions and several other electronic devices.

"NEC is aiming for 30 percent of the world market by 1997," said Hidehiko Kato, head of the company's color LCD division. He added that even with new factories now on-line in the industry, supply cannot keep up with demand for the screens. The costs of setting up a factory for the latest type of color screens can be more than 40 billion yen (\$367.1 million).

Still, Japanese companies are forging ahead. NEC is spending 30 billion yen on a second

production line at its plant in Kagoshima, on the southern island of Kyushu. It will spend a further 40 billion yen next year on a new production line at a plant in northern Japan.

In September, NEC said it was negotiating with Apple Computer Corp. to supply color liquid crystal display screens for Apple's personal computers.

Apple currently obtains the screens from Sharp. Sharp has begun work on an LCD plant in central Japan that is scheduled to start production in 1995.

Sanyo's new plant, to come on line by the end of this year, will cost 35 billion yen.

The reasons for this spending spree are clear. Japan's market for the latest thin-film transistor screens, which offer high-resolution color images, was worth 170 billion yen in 1993. The world market will reach an estimated 640 billion yen by 1997, NEC says.

The difficulty of producing the screens is

one of the main reasons why makers cannot turn out enough of them and why they cost so much. The key issue for manufacturers of LCD screens is yield, or the number of perfect panels they can achieve per set they make. On average, only two panels out of every four made are usable.

Tsunekyo Iwakawa, president of NEC Kagoshima, said his plant had achieved a yield of 30 percent, the highest in the industry. NEC has also reduced the number of stages needed to make a screen from 10 to 6, reducing both costs and the possibility of faulty screens, he added.

Analysts say NEC could do well making LCDs, although profits from the business will take a while to appear.

"NEC's LCD business will definitely bear fruit," said Makio Inui, industry analyst at Kleinwort Benson International Inc. But he added that the company needed to increase its sales of the screens to outside manufacturers.

Investor's Asia				
Exchange	Index	Wednesday Prev. Close	Thursday Close	% Change
Hong Kong	Hong Seng	9,254.00	9,125.21	-1.41
Singapore	Straits Times	2,106.01	2,096.14	-0.47
Sydney	All Ordinaries	2,005.40	2,009.40	+0.20
Tokyo	Nikkei 225	17,125.30	16,406.54	-4.88
Kuala Lumpur	Composite	1,015.42	995.45	-1.90
Bangkok	SET	1,341.24	1,309.85	-2.40
Seoul	Composite Stock	808.75	811.06	+0.28
Taipei	Weighted Price	4,468.24	4,353.90	-2.63
Manila	Composite	2,323.76	2,332.29	+0.37
Jakarta	Stock Index	517.88	518.78	+0.18
New Zealand	NZSE-40	2,940.53	2,021.62	-31.94
Bombay	National Index	3,564.91	1,540.28	-56.68

- Very briefly:**
- Kunming Machine Tool Co., the Chinese-state run company, was 627 times oversubscribed in its initial public offering in Hong Kong.
 - Tai Cheung Holdings of Hong Kong said net profit rose to 848 million dollars (\$109.8 million) in the first half from 423 million a year earlier.
 - Taiwan Aerospace Corp.'s president, Chu Hsing, has resigned for undisclosed reasons; he is the second president to resign in three months.
 - Siam Cement Co. of Thailand said profit dropped to 693.7 million baht (\$27.3 million) in the third quarter from 960.3 million baht a year ago.
 - The Philippines' economy grew by 2.8 percent in the third quarter.
 - Sapura of Malaysia and Schumberger Technologies of France are competing to install the first pay telephone system in Hanoi.
 - Hitachi Ltd. said it would introduce massively parallel computers on the Japanese market next year and mainly target government agencies.
 - Fuji Photo Film Co. has acquired the remaining 50 percent stake in B&F Microfilms, its joint-venture floppy disk production company in the United States, buying out BASF AG for an undisclosed price.
 - APT Satellite Co. of Hong Kong has signed 10-year leases for 16 transponders on its yet-to-be-built Apstar 2 satellite with seven global television broadcasters, six of them American. (Bloomberg, Reuters, AFP)

VW: A Long Road Leads to Success

Continued from Page 11
 offering engineering courses in Germany.

The company's training programs became especially busy early last year when, in response to VW's request to expand output, the government told the company to take over the nearby Shanghai Car Plant and absorb more than 2,000 of its workers.

"It was a big problem to integrate the workers," Mr. Fanny said. Despite the obstacles, VW will boost output by 50 percent this year to 100,000 units. That expansion runs counter to the trend among other joint-venture carmakers, which have seen orders fall due to Beijing's efforts to cool the Chinese economy.

A new VW plant under construction will start assembling a slightly

more modern vehicle in late 1994, enabling overall output to rise to 300,000 units before the end of the decade. A similar number of vehicles also will be made at another VW joint venture in Changchun, in northeast China.

The passenger car market in China expanded by 29 percent to 450,000 units, in the first nine months of the year.

Bullish forecasters say that market will swell to 3 million units by 2000 as middle class emerges and buys vehicles for personal use. Sales would be higher if not for restrictions that, for example, boost the price of the Santana to the equivalent of about \$30,000.

High prices, however, have allowed Shanghai VW to stay in the black for several years. It even reported profits for the first time in 1992.

BRITAIN: Modest Tax Rise in Budget Boosts Stocks

Continued from Page 11
 the chancellor's plan for a freeze in their wages.

Even skeptics, however, heaped praise on Mr. Clarke. They lauded his toughness on spending as well as the manner in which he was able to raise new revenues—more taxes on consumers but nothing Draconian enough to throw consumer confidence off the rails.

The reduction in the government's deficit suddenly appears so painless and so rapid that analysts confess they wonder what all the fuss was about. Peter Sullivan, an investment strategist at Merrill Lynch, noted that the chancellor now plans to cut the deficit from 8.5 percent of gross domestic product to zero in five years without unbearable economic pain.

"It suggests that we may have overstated the problem and that, in

fact, deficits may disappear like snow in the spring," he said. If that proves to be the case it could be hugely encouraging news for many European governments facing similarly immense spending gaps.

Even better news for the stock market, the light budget has raised many hopes for further interest rate cuts. "The reason for the share rally is dead simple," insisted Chris Dillow, chief economist for Nomura Research Institute. "The market thinks that interest rates are going down and it is right."

On Wednesday, shares in other European markets surged on the possibility of lower German interest rates.

In Paris, the CAC-40 index gained 2.1 percent, to 2,153.98 points, on heavy volume of almost 5 billion francs (\$845.9 million). The Frankfurt stock market also

TOKYO: Government Jaboning

Continued from Page 11
 put on an impressive performance, as the DAX index gained 1.56 percent on the day, to finish at 2,089.87. Analysts said the market was still hoping for lower interest rates on Thursday, adding that if the central bank does not act this week, it likely will on Dec. 16, its last meeting of the year.

In London, most economists are forecasting a further half point of interest rates before year-end, following last week's half point cut. Many economists predict that rates will fall below 5 percent sometime early next year.

Such cuts could offset the dampening of the economy caused by higher taxes and less government spending.

Some observers predict that it may also be necessary to keep the pound from soaring in the face of expected cuts in borrowing costs in Europe early next year.

pers, called the recession one of the worst national crises in the post-war period in an editorial Wednesday, then asked, "Why has the government failed to respond adequately to such a serious issue?"

On Tuesday, Mr. Hosokawa heeded the advice of stockbrokers and some other politicians and began to offer assurances that his government was prepared to act to get the economy moving again.

On Wednesday, he added that a variety of measures, including an income-tax cut, were under consideration. The implication was that government ministries had also decided to throw their weight behind the market.

"The tradition is that if the Finance Ministry gets behind the market it goes up," said Kevin Hogan, a salesman and trader of stock index futures at Lehman Brothers.

Seoul's Trade Shows Surplus

Reuters
SEOUL—South Korea had its third successive monthly trade surplus in November, according to data released Wednesday, putting it on course to shrink the year's trade deficit to around \$1 billion from \$5.14 billion in 1992.

Customs-cleared trade in November showed a provisional surplus of \$114 million.

But the November result trimmed the deficit for the first 11 months to \$2.05 billion from \$5.29 billion a year ago. "Our exports went into full swing, recovering from the setbacks of the summer caused by labor disputes," said Choe Hong Geon of the Trade Ministry.

He said that he had purchased the equivalent of \$46 million in shares.

AMEX									
Wednesday's Closing									
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press									
12 Month High	Low	Stock	Div	Yld	PE	52	High	Low	Latest
129.12	127.12	IBM	3.90	3.0	15.0	128.00	127.00	127.00	127.00
125.00	124.00	Microsoft	0.00	0.0	15.0	125.00	124.00	124.00	124.00
120.00	119.00	Oracle	0.00	0.0	15.0	120.00	119.00	119.00	119.00
115.00	114.00	Intel	0.00	0.0	15.0	115.00	114.00	114.00	114.00
110.00	109.00	Sun	0.00	0.0	15.0	110.00	109.00	109.00	109.00
105.00	104.00	HP	0.00	0.0	15.0	105.00	104.00	104.00	104.00
100.00	99.00	Motorola	0.00	0.0	15.0	100.00	99.00	99.00	99.00
95.00	94.00	IBM	0.00	0.0	15.0	95.00	94.00	94.00	94.00
90.00	89.00	Microsoft	0.00	0.0	15.0	90.00	89.00	89.00	89.00
85.00	84.00	Oracle	0.00	0.0	15.0	85.00	84.00	84.00	84.00
80.00	79.00	Intel	0.00	0.0	15.0	80.00	79.00	79.00	79.00
75.00	74.00	Sun	0.00	0.0	15.0	75.00	74.00	74.00	74.00
70.00	69.00	HP	0.00	0.0	15.0	70.00	69.00	69.00	69.00
65.00	64.00	Motorola	0.00	0.0	15.0	65.00	64.00	64.00	64.00
60.00	59.00	IBM	0.00	0.0	15.0	60.00	59.00	59.00	59.00
55.00	54.00	Microsoft	0.00	0.0	15.0	55.00	54.00	54.00	54.00
50.00	49.00	Oracle	0.00	0.0	15.0	50.00	49.00	49.00	49.00
45.00	44.00	Intel	0.00	0.0	15.0	45.00	44.00	44.00	44.00
40.00	39.00	Sun	0.00	0.0	15.0	40.00	39.00	39.00	39.00
35.00	34.00	HP	0.00	0.0	15.0	35.00	34.00	34.00	34.00
30.00	29.00	Motorola	0.00	0.0	15.0	30.00	29.00	29.00	29.00
25.00	24.00	IBM	0.00	0.0	15.0	25.00	24.00	24.00	24.00
20.00	19.00	Microsoft	0.00	0.0	15.0	20.00	19.00	19.00	19.00
15.00	14.00	Oracle	0.00	0.0	15.0	15.00	14.00	14.00	14.00
10.00	9.00	Intel	0.00	0.0	15.0	10.00	9.00	9.00	9.00
5.00	4.00	Sun	0.00	0.0	15.0	5.00	4.00	4.00	4.00
0.00	0.00	HP	0.00	0.0	15.0	0.00	0.00	0.00	0.00

SPORTS

Flirting With a Record, Houston to Get 'Physical'

The Associated Press
The unbeaten Houston Rockets are now poised to turn The Streak into The Record.

They won their 14th game in a row by beating the visiting Milwaukee Bucks, 103-91, and can tie the 45-year NBA mark of 15 straight season-opening victories, set in 1948 by the old Washington Capitals, when they play the Knicks on Thursday night in New York. The Knicks are 9-2.

"It's going to be real physical," said the Rockets' coach, Rudy Tomjanovich. "It's going to be a battle. Here is one time all things come into place. It's good for basketball. We're the underdog in this situation."

Milwaukee, with the NBA's second-worst record at 2-12, was the decided underdog in Tuesday's game but raced to a 12-point lead in the early going and held Houston to a 49-49 tie at the half.

But Houston's defense, which is yet to allow 100 points in a game this season, took charge in the second half as the Rockets built as much as a 14-point lead in the third quarter, thanks primarily to a 17-3 run in which Vernon Maxwell scored 11 straight points.

"We just had to start playing defense and get our fast break going," Maxwell said. "It took a while to do that."

The Bucks shot just 36 percent. They pulled to within three points with about 10 minutes to go but Houston held them to just four points during a 5:23 span in the final quarter.

"Their defense was the difference," said the Bucks' coach, Mike Dunleavy. "Their big man inside demanded a lot of coverage."

The big man inside was Hakeem Olajuwon, who led Houston with 20 points and 12 rebounds, plus 5 blocked shots and 6 assists. Maxwell added 19 points.

With the 14-0 start, the Rockets equaled the 1957-58 Boston Celtics for the second-longest winning streak to begin a season.

"It's good to quietly make a

statement in this league," Olajuwon said. "I knew at the beginning of the season when I looked at our schedule that it would be very tough. But as a team we have prepared well. I look now at our 14-0 start and it is a great team accomplishment."

"These guys just don't ease off," Tomjanovich said. "It's really hard to do what they've done. I leave for home each night with tingles. Hard work pays off."

The only downside to the victory for Houston was an injury to Mario Elie, who came off the bench to

NBA HIGHLIGHTS

score 11 points but clipped a bone in his right hand. His status was listed as day-to-day.

Bulls 132, Suns 113: Scottie Pippen, back after missing 10 games with an ankle injury, scored a season-high 29 points as Chicago ended visiting Phoenix's winning streak at five.

Pippen, activated Tuesday from the injured list, also had 11 rebounds and 6 assists in the first meeting between the teams since the Bulls won the 1993 NBA title.

Chicago put the game away in the third quarter, extending a 63-50 halftime lead to 83-58 on Toni Kukoc's 18-foot jumper with 6:05 left. The Bulls led by 98-80 entering the final quarter.

B. J. Armstrong added 23 points for Chicago, while the Suns got 26 points from Dan Majerje and 23 from Kevin Johnson. But Charles Barkley was held to 13 points, 14 below his average.

Hawks 122, Celtics 114: Dominique Wilkins matched his season high with 37 points as Atlanta won its ninth straight and stayed undefeated in seven games at home.

The Hawks' winning streak is their longest since 1989. The team record is 12 consecutive victories.

Dee Brown had a career-high 32 points and 11 assists for Boston, while Kevin Willis had 24 points and 11 rebounds for Atlanta.

SuperSonics 92, 76ers 80: Sam

Perkins scored 21 points and Seattle rallied in the second half to win in Philadelphia for the first time in nearly eight years.

Shawn Kemp had 19 points and 15 rebounds as the SuperSonics recovered from their first loss of the season Saturday night, after 10 straight wins, and also overcame a 17-point second-quarter deficit.

The 76ers, who have failed to score 100 points in 12 of 14 games and fell short of 90 in nine, lost their third straight. The Sonics had lost seven straight since Dec. 8, 1985, on the Sixers' home court.

Blazers 123, Heat 109: Clyde Drexler scored a season-high 33 points and Portland shot 58 percent from the field in Miami.

Terry Porter scored 20 points for Portland, which came into the game shooting 45 percent. Every Blazers player made at least half of his shots, and the Portland's point total was a season high.

Drexler hit his first six shots, including three 3-pointers, and scored 15 points as the Blazers took a 33-26 first-quarter lead. They stayed in front the rest of the way.

Rony Seikaly, who needed extensive dental work after he took an elbow in the mouth Saturday against Charlotte, led Miami with 19 points and 11 rebounds.

Cavaliers 92, Pistons 74: Detroit, missing its longtime nucleus of Isiah Thomas, Joe Dumars and Bill Laimbeer, lost its fourth straight as Cleveland, playing at home, matched its club record for fewest points allowed.

Laimbeer, whose flying elbows helped give the Detroit Pistons their "bad boy" image in the late 1980s, may be through with basketball.

"I won't deny it. How about that?" Laimbeer said when asked about speculation that he planned to retire Wednesday. "That's basically all I'm going to say right now."

Laimbeer, 36, suited up for the game against the Cavaliers, but coach Don Chaney did not use him because he has a bad back.



Hakeem Olajuwon had 20 points, 12 rebounds and 5 blocked shots, one felling Anthony Avent.

Rockets' Return: Defense Is Key

By Tom Friend
New York Times Staff Writer

NEW YORK — The Houston Rockets are a loss waiting to happen, except they keep taking every basket against them personally. If an opposing team scores 90, it is considered a binge.

Driving through their lane can be hazardous to your health, or your shot.

They are Hakeem Olajuwon and the 11 Charles Atlases.

About 12 months ago, their guards never met a shot they did not like, Olajuwon wanted out and a seven-game losing streak had Coach Rudy Tomjanovich smoking a pack a day.

Now their guards never met a shot they did not reconsider, Olajuwon wants in and a 14-0 start has Tomjanovich smoking a pack a day.

"Will we go 82-0? Anything is possible," said Olajuwon, who is now seven months without defeats.

One more victory — over the New York Knicks on Thursday night in Madison Square Garden — would make them 15-0 and tie them with one of the most forgettable teams of all time, the 1948-49 Washington Capitals, for the best season-opening winning streak in league history.

And if the score is not 79-78 or close to that, it will be somewhat of an upset; these are the two stingiest teams in the game today.

The Rockets don't run and shoot like the Houston Oilers. They have a methodical winning formula that was born in January 1993 after a series of Tomjanovich lectures, and they are now in the process of perfecting it.

They fit together like pieces of Lego, although their offense virtually always runs through Olajuwon, 30-year-old 7-footer (7.1 meters).

He is not only arguably the league's best player, but also perhaps its most durable. Court-side witnesses have heard him repeatedly say, "Nice dunk," to opponents in his quaint Nigerian accent, and he

is never too proud to retoul his repository in the summer.

"I'm still learning the game," said Olajuwon, who learned to dunk as an 18-year-old. "I'll be learning the game until I retire. And when I retire, I'll say, 'Oh, I should've done this.'"

Karim Abdul-Jabbar had his skyhook, but Olajuwon has his spinning turnaround jump shot. Ballers barely move as gracefully as he, and he credits his favorite youth sport for it: soccer.

"He's not only the best center in the game; he's the best player," point guard Kenny Smith said of the player nicknamed the Dream.

"A lot of people are good at one thing, but not a lot are great at four things. He's the best shot blocker, best rebounder, best scorer, and could be first in assists."

And, because he is a new citizen, the United States may have him on their 1996 Olympic team if his paperwork is approved.

"There's no Dream Team without the Dream on it," Olajuwon said, grinning.

What Olajuwon also has is a power forward at his hip: Otis Thorpe.

Thorpe, a be-man, looks best on the team without a shirt on and throws a better full-court pass than Joe Montana.

His wide receiver is guard Vernon Maxwell, another sleek body who is considered the best "cherry-picker" in the league.

Maxwell is to the Rockets what John Starks is to the Knicks: a hard-talking bomber nicknamed Mad Max. He leaves a split-second early after an opponent's shot, and Thorpe continually hits him on post patterns if he can.

"I can shoot my natural jump shot from three feet behind the 3-point line," said Maxwell, who only last season found a conscience.

The starting small forward, although he plays large is Robert Horry. In fact, the Houston defense relies on both of its silent H's — Hakeem and Horry.

According to Carroll Dawson, an assistant coach, the Rockets' defense is predicated on steering all penetrators toward Olajuwon or Horry, and having Thorpe gather all the misdirected shots.

Smith, meanwhile, is regularly the starting point guard, but he has missed the last four games with an ankle injury and has been replaced by rookie Sam Cassell. Charlie Ward's former running mate in Florida State's backcourt.

Guard play is the biggest difference in the Rockets, in fact. Last season, Eric (Sleepy) Floyd began as their court director, but he is known for his selfishness, and it rubbed off on Maxwell and others, who kept letting the bombs fly.

Floyd was finally relegated to the bench last season and cut in the offseason, and Tomjanovich now turns — not coincidentally — to two of the most unselfish guards in the world at the end of games: Mario Elie and Scott Brooks.

Toss in an expert 3-point shooter, Mark Bullard, another carved rebounding body, Carl Herrera, and the most sleepless coach in the NBA, Tomjanovich, and you have a title contender.

Agreement Ends NHL's Strike

The Associated Press
MONTREAL — The strike is over and National Hockey League referees and linesmen could be back on the ice by Thursday.

After the two sides met for nine hours, Commissioner Gary Bettman and Don Meehan, chief negotiator for the officials, announced Tuesday night that a tentative agreement in principal had been reached.

"Both sides need to go through the ratification process," a weary and irritated Bettman said. "I need the board of governors' approval and Don Meehan needs the approval of his members."

"We'll try to accomplish that within the next 24 hours. If all goes well, the officials will be back on the ice by Thursday."

The league and the NHL Officials Association agreed not to release details of the agreement until

they have consulted their members. Referee Terry Gregson, the association's president, said results of the vote, to be taken by telephone, should be in by Wednesday afternoon.

"I'm pleased," said Gregson, who promised to reach all of the 58 officials.

The referees and linesmen, whose collective bargaining agreement expired Aug. 31, went on strike Nov. 15.

Since then, games have been played using replacement referees and linesmen drawn from junior, university and minor professional ranks. Their officiating was been criticized by some players, including Brett Hull of the St. Louis Blues and Theoren Fleury of the Calgary Flames and pressure to end the strike heightened over the last few days following a number of violent incidents and questionable officiating decisions.

"The players have come to recognize the fact that this is a tough job," Bryan Lewis, the NHL's director of officiating, said Tuesday night from Uniondale, New York. "They are developing an appreciation for the officials in general."

A report this week said the NHL Players Association was considering a one-game players' boycott in support of the officials. However, the NHLPA's executive director, Bob Goodenow, said a job action was unlikely.

Under the old agreement, first-year referees earned \$50,000 a year while rookie linesmen earned \$33,000.

The league offered referees a 29 percent salary increase and linesmen a 26 percent hike. The officials originally asked for a 60 percent pay raise but have reportedly agreed to accept the league's offer in exchange for improved pensions, severance pay and other benefits.

Montreal referee Dave Jackson said Tuesday he is looking forward to returning to work.

"I'm glad to supposedly be going back," said Jackson, in his first year as an NHL referee. "I have no idea what we settled for. It was stressful. It always is."

Tuesday's negotiations, which were the first face-to-face meeting of the two sides since Nov. 22 in Buffalo, began at a hotel in suburban Dorval at 11 A.M. Negotiators were in and out of the meeting room all day. About five hours into the talks, Bettman and Meehan emerged and spoke privately for five minutes at the hotel bar before returning to the room, then the two sides emerged at 8 P.M. to announce the agreement.

The NHL may have settled one labor matter, but an even bigger matter awaits. The players have been without a contract since Sept. 30.

Fromberg Strains Muscle, Hurting Australian Hopes

The Associated Press
DUSSELDORF — Two days before the Davis Cup final against Germany, Australia suffered a setback Wednesday when its top clay-court player, Richard Fromberg, reported strained rib muscles.

He was told to rest for 24 hours, and the team's captain, Neale Fraser, said Fromberg will undergo a fitness test Thursday, just before the final lineups are announced ahead of the draw.

Fromberg is Australia's main singles hope because of his strong clay-court game. The final is being played on a specially constructed clay court in a hall at Dusseldorf's fair ground.

Australia's second singles spot is expected to go to Wally Masur. Michael Stich, Germany's top player, also did not practice Wednesday. He had a cold.

Gathers's Cousin, 17, Dies At High School Practice

The Associated Press
PHILADELPHIA — A 17-year-old cousin of Hank Gathers, the college basketball star who died during a game in 1990, has collapsed and died in a similar manner.

Joseph Marable, a senior trying to make the basketball team at William Penn High School, was pronounced dead Tuesday afternoon at Temple University Hospital. The cause of death was not immediately known, but Marable was listed as a "sudden death" and his case was sent to the medical examiner's office for autopsy.

Gathers, who attended Dobbins Technical High School in Philadelphia before becoming a standout at Loyola-Marymount in California, was 23 when he collapsed and died of heart failure. He was found to have suffered a heart attack brought on by a heart abnormality.

Marable's father, Joe Rowell, told The Philadelphia Inquirer that his son had never appeared unhealthy before.

According to William Penn's coach, Arnold Singletary, Marable collapsed after spending only about five minutes in a full-court practice. He was sent to the bench to rest, but slumped to the floor in front of his teammates.

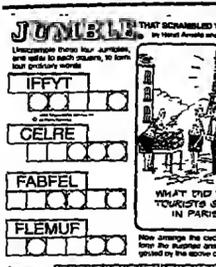
Marable's mother, Gail Marable, is the younger sister of Lucille Gathers, the mother of Hank Gathers.

DENNIS THE MENACE



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ART BUCHWALD

The Five-Day Wait

WASHINGTON — Congress is on vacation, and by rights there should be joy in the land. But not everyone in the U.S. capital is sharing in the holiday spirit.



Fred Carbank, a lobbyist for the National Rifle Association, is in a deep depression. I found him on his bedroom floor, firing at his wife's perfume bottles.

New Opera House Opens in Helsinki

HELSINKI — Finland has inaugurated its first official opera house, a multimillion-dollar structure designed to house the Finnish National Opera and National Ballet.

Carbank was now shooting at the Venetian blinds. "They're going to take my Christmas bonus away from me." "They wouldn't do that. You're a victim of public opinion. The people have been sold on the lie that handguns kill people. The NRA has a great humanitarian record, and one lousy congressional bill won't detract from that."

"I don't blame you. What are legislators for if they don't do the NRA's bidding? Perhaps the biggest mistake you made, Fred, was coming in with such a high profile."

Carbank went downstairs and began firing at all the Christmas decorations. "Maybe it's time to quit the gun-lobbying business. I'm burned out. The country is turning against guns, and those of us who represent the owners and dealers no longer have any respect."

William Styron: Going Home Is Hard to Do

By David Streitfeld

NEWPORT NEWS, Virginia — In the middle of the only night he has spent here in decades, William Styron started screaming. At first, the friend he was staying with thought it was her dog. Then the truth dawned: One of America's greatest writers, safely tucked away in the third-floor bedroom, was howling in his sleep.



Author Styron revisits the James River pier where he swam as a boy.

The nightmare had instead a largely physical cause. The evening before, there had been a cocktail party where he was the star attraction, then a talk before 400 guests at a Junior League book-and-author dinner, then an autographing session where he signed more books in one stretch than ever before in his career.

called Newport News in an essay. "I remained an alien in my birthplace, uncharmed and unattached." Or, as he wrote more brutally in his diary when he was 14: "I've got to get the hell away from here."

Above all, there's "Lie Down in Darkness." The city is called Port Warwick, but readers in 1951 needed look no farther than the back of the dust jacket to find the confession that it is really about Newport News. The neo-Faulknerian, richly gothic tale was inspired by the true story of a young woman who lived only a couple of doors away in Hilton Village, a famed local beauty with whom Styron — as well as everyone else — was madly, fully in love.

PEOPLE

The Non-PC Recipe

Whoopi Goldberg is in the middle of a brouhaha again, this time accused of ethnic stereotyping. Her "Jewish American Princess Fried Chicken" recipe, which appears in "Cooking in Litchfield Hills," a cookbook sold to benefit a Connecticut charity, has such directions as "Send a chauffeur to your favorite butcher shop for the chicken," and "Have cook prepare rest of meal while you touch up your makeup."

The Spanish author Miguel Delibes topped a field of 38 Spanish and Latin American writers to win Spain's Miguel de Cervantes Prize for literature.

Disclosed: Steve Wyatt, the Texan whose reported romance with the Duchess of York helped erode her marriage to Prince Andrew, married Catherine Magennis, Virginia's secretary for economic development Oct. 16.

The rock group Pink Floyd will begin their first world tour in five years in March. The tour will probably start in Dallas and end with a series of shows in London.

Charlton Heston, whose credits include "The Ten Commandments" and "Ben Hur," will receive the Hollywood Women's Press Club award for the individual who presents the best image of the U.S. entertainment industry to the world.

INTERNATIONAL CLASSIFIED Appears on Page 8

WEATHER

Weather forecast for Friday through Sunday, as provided by Accu-Weather. Includes maps of Europe, North America, Asia, and Latin America with temperature and precipitation data.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to puzzle of Dec. 1.

Large advertisement for AT&T Access Numbers. Features the headline "I wonder if the little guy had fun today?" and a list of international access numbers for various countries.

Sharing the day's events with loved ones back in the States has never been easier. Whenever you're away, simply dial the AT&T access number of the country you're calling from and an English-speaking AT&T Operator or voice prompt will put you through in seconds.